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SENATE

{ REPORT
No. 423

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1966

JULY 6, 1965.—Ordered to be printed

Mr. HOLLAND, from the Committee on Appropriations, submitted
the following

R E P O R T

[To accompany H.R. 8370]

The Committee on Appropriations, to which was referred the bill (H.R. 8370) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes, reports the same to the Senate with various amendments and presents herewith information relative to the changes made:

Amount of bill as passed House..... \$5, 717, 832, 000

Amount of increase by Senate committee (net)----- 994, 076, 800

Amount of bill as reported to Senate..... 6, 711, 908, 800

Amount of appropriations, 1965 (adjusted)----- 6, 827, 048, 200

Amount of estimates for 1966----- ¹ 5, 782, 634, 000

The bill as reported to the Senate:

Under the appropriations for 1965----- 115, 139, 400

Over the estimates for 1966----- 929, 274, 800

¹Includes budget amendments submitted in S. Doc. 38 reducing estimates by \$32,500,000 under the estimates considered by the House.

GENERAL STATEMENT

The Senate committee bill is in the amount of \$6,711,908,800, an increase of \$994,076,800 over the House bill, and is \$929,274,800 over the budget estimates and \$115,139,400 under the 1965 Appropriations Act.

The bill includes \$1,789,586,800 for the regular activities of the Department under titles I and II of the bill. This is an increase of \$165,187,600 over the appropriations for 1965, an increase of \$95,526,800 over the House bill and \$2,474,800 over the budget estimates.

Title III of the bill carries the recommended appropriations for the Federal Crop Insurance Corporation and the appropriations authorized by various laws (1) to reimburse the Commodity Credit Corporation for losses incurred for regular price support activities and (2) to finance the costs of the foreign assistance programs, Public Law 480, as amended, together with appropriations for the expenses of the International Wheat Agreement and for the cost of bartered materials for the supplemental stockpile.

There is shown below a summary, by titles of the bill, setting forth the amounts considered by the committee on budget estimates and amendments thereto, the amounts carried in the House bill, the amounts recommended by the committee, together with a comparison of the committee recommendations, plus or minus the budget estimates, as amended.

Summary of the bill by titles

Title	Budget estimates, 1966	House bill, 1966	Senate committee, 1966	Senate committee (+) or (-) budget estimates
Title I—General activities.....	\$1,707,486,000	\$1,633,693,000	\$1,711,760,800	+\$4,274,800
Title II—Credit agencies.....	79,626,000	60,367,000	77,826,000	-1,800,000
Total, titles I and II.....	1,787,112,000	1,694,060,000	1,789,586,800	+2,474,800
Title III—Corporations:				
Federal Crop Insurance Corporation.....	8,478,000	7,478,000	8,478,000	-----
Reimbursement for net realized losses.....	2,300,000,000	2,300,000,000	3,226,800,000	+926,800,000
Subtotal, corporations.....	2,308,478,000	2,307,478,000	3,235,278,000	+926,800,000
Foreign assistance programs:				
Public Law 480: Titles I, II, and IV.....	1,658,000,000	1,658,000,000	1,658,000,000	-----
International Wheat Agreement.....	27,544,000	27,544,000	27,544,000	-----
Bartered materials for supplemental stockpile.....		30,000,000		-----
Subtotal, foreign assistance programs.....	1,685,544,000	1,715,544,000	1,685,544,000	-----
Total, title III.....	3,994,022,000	4,023,022,000	4,920,822,000	+926,800,000
Title IV—Related agencies:				
Farm Credit Administration.....	(2,990,000)	(2,990,000)	(2,990,000)	-----
National Commission on Food Marketing.....	1,500,000	750,000	1,500,000	-----
Total, title IV.....	1,500,000	750,000	1,500,000	-----
Grand total.....	5,782,634,000	5,717,832,000	6,711,908,800	+929,274,800

REIMBURSEMENT FOR REALIZED LOSSES OF THE COMMODITY CREDIT CORPORATION

The committee is concerned because of the lag which has developed in providing appropriations to reimburse the Commodity Credit Corporation for its realized losses. For the past several years, including this year, it has been necessary to provide supplemental appropriations so that the Corporation would have sufficient operating capital to carry out its authorized programs. This is not good financial management.

The executive branch and the Congress, to some degree, are both at fault in allowing these reimbursements to fall so far behind. In addition to the \$2,300 million included in the budget and the House bill, there is a total of \$2,064.9 million remaining unreimbursed. This consists of \$1,057 million resulting from the inventory reevaluation in 1961, \$80.9 million of 1963 losses, and \$927 million of 1964 losses.

The committee strongly believes that appropriations to reimburse CCC should be kept current and, to make a start in this direction, is including in the bill \$927 million, representing the balance of the 1964 losses, which was not in the budget nor in the bill as passed by the House. Also, the committee directs the Department to request funds in the next supplemental bill, or in any event not later than the regular bill for next year, to pick up the remaining \$1,137.9 million. In the regular bill for next year the full amount of 1965 losses should be requested.

Following this procedure will not increase expenditures since the Corporation carries on its programs in accordance with authorized farm legislation and obtains funds for expenditure under its borrowing authorization of \$14.5 billion. The appropriations for reimbursement of losses are required by law to reflect the amount of net realized loss incurred by fiscal year. Public Law 87-155 approved August 17, 1961, authorizes annual reimbursement appropriations to restore capital impairments of the CCC as reflected in the Corporation accounts and on the report of its financial condition at the close of each fiscal year.

FARM LABOR SHORTAGE

The committee agrees with the report of the House committee that there is a "severe shortage of farm labor" to meet peak needs of many of the nations' producers. The committee believes that this situation will continue to exist.

Unfortunately, there is a large void in the economic and statistical data upon which our farm labor policies are based. This should be corrected at the earliest possible date.

For this reason the Department is requested to make a comprehensive study of the entire agricultural labor situation. This analysis should include, but not necessarily be limited to, such matters as the need for and availability of qualified agricultural labor in this country; the impact of shortages of such labor on the production and processing of high labor requirement crops, on employment in agriculture and industries dependent in whole or in part on agriculture, on farmers' costs, and on consumer prices for the affected commodities; and the extent to which production of competing crops has increased overseas,

particularly in Latin American countries, the trends of U.S. trade in commodities requiring a heavy utilization of labor, and the impact of these trends on the American economy, including the balance-of-payments situation. The extent and feasibility of mechanizing crops now dependent on large amounts of hand labor should be the subject of analysis. Finally, some thought should be given to methods by which earnings and hours worked by piece rate employees could be ascertained.

The committee recognizes that such a study will require careful planning and extensive research. It would hope, however, that the information requested could be furnished as expeditiously as possible.

TITLE I—GENERAL ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

The Agricultural Research Service is the principal research agency within the Department of Agriculture and is responsible within the Department for the conduct of a number of research programs which include (a) farm research, (b) utilization research and development, (c) marketing research, (d) nutrition and consumer use research, and (e) oversea research conducted under the special foreign currency program, which is financed under a separate appropriation item.

Salaries and expenses—Research

Funds available	Available, 1965	Estimates, 1966	House bill 1966	Senate committee
By appropriation.....	\$122,599,000	\$116,892,000	\$114,394,000	\$124,369,800
By transfer from sec. 32.....	(11,775,000)	(24,600,000)	(24,600,000)	(16,600,000)
Total available.....	134,374,000	141,492,000	138,994,000	140,969,800

Comparisons with—

1965 available funds.....	+ \$6,595,800
Estimate for 1966.....	— 522,200
House bill.....	+ 1,975,800

In processing the Agricultural Appropriation Act for 1964, Public Law 88-250, the conferees agreed to a provision which authorized the use of not to exceed \$25 million of the section 32 permanent authorization for agricultural research purposes. Last year, in processing the agricultural appropriation bill for 1965, the committee made it clear that it was not the intent of this committee to reach an early use of the full authority agreed to in Public Law 88-250. It is noted, however, that the budget for 1966 requests full use of section 32 under the authority cited above. The committee has disagreed with this proposal and has limited the use of these funds to \$16,600,000 in this bill. This is a decrease under this item of \$8 million from the budget request and the House approved bill.

The committee has recommended a corresponding increase of \$8 million in the direct appropriation for this item. The committee recommendation for research is \$124,369,800 by regular appropriation and \$16,600,000 of section 32 permanent funds for a total of \$140,969,800.

For both direct appropriation and section 32 transfer the amounts available as recommended by the committee are \$6,595,800 over 1965

available funds, \$522,200 under the budget estimates for 1966, and \$1,975,800 over the House bill.

Cotton research.—Last year the committee recommended the inclusion of funds to initiate a special cotton research program pursuant to section 103(a) of Public Law 88-297, the Agricultural Act of 1964. The 1965 Appropriation Act included \$1,400,000 for this purpose, including a nonrecurring amount of \$240,000 to be used for the development of plans and specifications for recommended research facilities to deal with the enlarged research program designed to bring about reduction in the cost of producing cotton.

The committee has recommended an appropriation of \$2,484,000 for the construction of various facilities for which the planning funds were approved a year ago. This is \$276,000 under the House bill and \$1,748,000 over the budget estimates. The facilities and the amounts for each are as follows: \$644,000 for the construction of a cotton disease laboratory, College Station, Tex.; \$92,000 for the construction of cotton ginning facilities, Mesilla Park, N. Mex.; \$1,150,000 for the construction of a laboratory for physiology and cotton insects, Tempe, Ariz.; \$92,000 for the construction of a ginning laboratory facility, Stoneville, Miss.; \$506,000 for the construction of a cotton physiology laboratory, Stoneville, Miss. The committee has not included \$276,000 for a cotton research facility for ginning and storage to be located at Lubbock, Tex. The committee has passed over this item without prejudice and will consider the appropriation for it in a future bill.

Pesticides research.—The Committee recommends an appropriation of \$5,330,000 for new pesticides research facilities. This is \$3,951,000 under the budget estimate and \$1,064,000 under the amount in the House bill. The committee has not recommended the appropriation of \$2,887,000 for a laboratory at Beltsville, Md., but has omitted it without prejudice.

The Committee recommendations include the amount of \$1,840,000 for the new laboratory at Gainesville, Fla., and \$2,990,000 for the new laboratory at College Station, Tex. Both of these laboratories were recommended in the pesticides program last year and the planning funds were appropriated. The amounts recommended are the same as the estimate and the amount of the House bill.

The Committee has included \$500,000 for a modification of the chemical weed laboratory at Stoneville, Miss., for which \$1,500,000 was appropriated in the 1964 Appropriation Act. This is \$1,064,000 under the estimate and the House bill. The conference committee last year approved a modification of the weed control laboratory, but did not contemplate any item in the amount of \$1,700,000. The pesticides program submitted last year did not include any proposal for this type of facility.

The committee has included sufficient funds to modify the weed control laboratory to include modern facilities for monitoring the impact of agricultural chemicals and pesticides on environment. The committee shares the view of the House report and findings of that committee that there has been unwarranted public alarm resulting from actions taken by some regulatory agencies of the Government.

The committee expects that the new Interdepartmental Coordination Committee recently established will function effectively to preclude further unwarranted publicity-type actions in this vitally important area.

The committee action in regard to other research facilities follows:

(1) The committee has recommended \$500,000 for the research facility to be located at Durant, Okla., for research to develop procedures and methods to avoid water pollution. This is \$100,000 under the estimate and \$50,000 over the amount approved by the House.

(2) An appropriation of \$500,000 is recommended for the construction of a poultry research facility to study ways to improve efficiency in poultry production. This laboratory is to be located at Georgetown, Del. The amount recommended is the amount of the estimate and \$50,000 over the amount approved by the House.

(3) An appropriation of \$300,000 is recommended for development of plans and specifications for the construction of research facilities for a livestock research center to be located on Government-owned land at Clay Center, Nebr. This is the amount requested in the budget which was denied by the House. The estimated cost of constructing and equipping this new research center is \$3,500,000.

When the construction of new facilities is completed at this location the Department proposes to close out existing beef research at Fort Robinson, Nebr.

The committee has recommended \$719,000 for the alteration of research facilities at Beltsville, Md. This is the amount requested in the budget and is \$380,000 over the House bill.

ACCELERATION OF RESEARCH ACTIVITIES

(1) The committee has included an increase of \$999,600 for staffing and operating costs in connection with new and expanded research laboratories for soil and water research, for poultry research, for the National Arboretum, and for small-fruits research at Carbondale, Ill. The amount recommended is \$50,400 under the request in the budget and an increase of \$144,600 over the amount provided in the House bill. The principal reduction under the estimate is \$50,000 for the station at Mandan, N. Dak.

(2) The committee has recommended an increase over 1965 of \$2,500,000 to provide additional labor and junior scientific personnel to strengthen the agricultural research program at a number of locations. This represents an increase of \$1,500,000 over the amount provided in the House bill which included \$1 million by reappropriation from the special fund. The committee has concurred in the reappropriation action.

(3) The committee has approved an increase of \$575,000 to accelerate research on health-related problems of tobacco, thereby providing \$3,190,400 for this purpose. The amount recommended is the same as the budget request and the amount carried in the House bill.

(4) An appropriation of \$1,458,200 is recommended for basic and developmental research on molds and their control. This is an increase of \$345,000 over 1965 and the amount requested in the budget and provided in the House bill.

(5) For the initial development of the livestock research work at Clay Center, Nebr., the committee recommends \$200,000 for 1966, an increase of \$100,000 over the House bill, and \$100,000 below the budget estimate.

(6) The committee has recommended an increase of \$162,000 over 1965 for basic and applied research on the metabolism of fission

products and elements affecting livestock. The amount recommended is \$162,000 over the House bill, which denied the item.

(7) For research on trichinosis in swine the committee concurs in the action of the House to deny an increase of \$200,000. The committee was not convinced by the testimony of the urgent need for this project, but has not ruled out further consideration.

(8) The committee conducted extensive hearings earlier in the year in regard to the unprecedented announcement by the Secretary of Agriculture last December 31 to close several small research stations and lines of research in the amount of \$5,151,000. The budget estimate reflected a decrease of this amount. Based upon the recommendations of the committee and following conferences held with the Secretary of Agriculture, agreement was reached on continuation of certain of these research activities amounting to \$2,165,200 in fiscal 1966.

The committee has recommended a restoration of \$2,165,200 in the bill for the items of research referred to and this is \$485,800 under the amount provided in the House bill of \$2,651,000.

The principal items of difference are in regard to the continuation of research on clothing and housing and on wholesaling and retailing. These differences will be adjusted in the conference committee since the agreement by this committee with the Secretary of Agriculture did not attempt to speak for the other body, though it is evident that there is very general agreement on the over-all action taken.

The committee reiterates its view that proposed adjustments to decrease research or to eliminate stations should be a part of the regular budget presentation and be justified in the same manner as proposals to establish new stations or increase lines of research.

The committee expects the Department to utilize fully its recently announced Research Review Committee as a regular and continuous part of the formulation and review of the agricultural research programs which are a joint undertaking and responsibility between the Department of Agriculture and the State experiment stations at the land-grant colleges and State universities.

ADDITIONAL RESEARCH NEEDS

The committee has again received many requests to accelerate existing research activities and to provide funds for new and more modern research facilities. Last year the committee did not approve a number of meritorious proposals for research facilities because of the urgency of the pesticides situation and the situation in regard to cotton research.

The committee has made recommendations for a number of research activities which follow:

(1) The committee has included \$40,000 for the development of plans and specifications for the modernization of facilities at the U.S. range livestock experiment station at Miles City, Mont. The estimated cost of modernizing these facilities is \$521,000. The officials of the Department advised the committee that this station was in priority "A" but was not included in the budget due to budgetary limitations.

(2) An appropriation of \$50,000 is recommended to modernize the poultry husbandry research facilities located at Glendale, Ariz. The

Department proposed to eliminate the poultry research at the existing station principally because of inadequacy of the facilities essential to the poultry research in the Southwest. The future research program should include environmental investigations to improve the reproduction of poultry, including egg production, fertility, and hatchability. The present facilities, which are over 30 years old, are inadequate to conduct present and future poultry husbandry research investigations in this area of high temperature. The funds provided will provide modern facilities estimated to cost \$750,000.

(3) An appropriation of \$25,000 is recommended for plans and specifications to complete the construction of modern facilities of soil and water conservation research at the Southwest Great Plains Research Center, Bushland, Tex. The additional facilities amount to \$350,000. In 1961 an appropriation of \$250,000 was provided for a part of the facility modernization for which a total of \$600,000 was recommended. According to the testimony of research officials, this facility is still listed as priority No. 10 on the list of priorities for soil and water research facilities submitted pursuant to the report identified as Senate Document No. 59.

The committee expects the Department to take some initiative in a regular and orderly manner in requesting funds in its annual budget requests for the modernization of soil and water research facilities and centers.

(4) An additional appropriation of \$75,000 is recommended to accelerate soil and water research for the Southern Great Plains watershed, Chickasha, Okla., and \$30,000 additional appropriation is recommended for soil and water conservation research at Madison, S. Dak.

(5) Two years ago the committee received a report on "Nutrition and Consumer Use Research." This report, printed as Senate Document 35, sets forth requirements of future food and nutrition research and proposes the establishment of research facilities essential to the conduct of a program to parallel in some respects our vastly expanded medical research program. The committee has been again advised that due to budgetary limitations imposed upon the agricultural research program the funds were not requested to develop plans and specifications for modern research facilities.

The committee has recommended the appropriation of \$455,000 for the development of plans and specifications for the expansion of the main laboratory, at Beltsville, Md., and for the regional laboratory to be located at the University of North Dakota.

(6) An appropriation of \$70,000 to develop plans for the wool quality research facility estimated to cost \$1,040,000 to be located at the University of Wyoming, is recommended. The committee has previously received a feasibility report on this proposal which was printed in the 1965 hearings.

(7) An appropriation of \$225,000 is recommended for the plans for a grain research facility, estimated to cost \$3,385,000, and to be located at Manhattan, Kans. The committee has also received a feasibility report on this facility which was printed in the 1965 Senate hearings.

(8) An appropriation of \$50,000 is recommended to develop plans to modernize the cereal rust research laboratory at the University of Minnesota is recommended. The estimated cost of the new facilities is \$650,000.

(9) The committee concurs in the directions in the House report in regard to enlarging the existing facilities for the National Barley and Malt Laboratory at Madison, Wis., at an estimated cost of \$375,000.

(10) The committee believes that the budget for fiscal 1967 should also include funds to renovate the research facilities at Beltsville, Md., for the research in the ornamental crops section. The committee also feels that the proposed weed research laboratory for the north central area is a matter of high priority and that funds for planning should be included in next year's budget request.

(11) There is an urgent need for additional mechanization research in California as the result of the discontinuance of the bracero program. The problem of the date industry, which must depend on imported labor to climb to the tops of the palm trees for pollination and for harvesting purposes, is an example. Unless these essential processes can be mechanized, the future of the American date industry is threatened. To deal with the immediate needs for date research, the committee has included \$45,000 additional appropriation and expects the Department to include the additional amounts required in the next year's budget request.

(12) The attention of the committee was called to the need for a research study of temperature variation and other climatic factors on the rate of maturity and quality of apples and pears in the Hood River area of Oregon and Washington. It is the understanding of the committee that the Department will conduct this research, estimated to cost approximately \$10,000 per year for 4 years, out of existing funds for fiscal year 1966. The growers will construct the building needed for this research project.

(13) An appropriation of \$50,000 is recommended to make a research study of the salmonella disease affecting poultry, especially in the Northeastern States.

(14) The committee expects that the contingency research fund will be used to accelerate research on the bluecomb disease of poultry in the amount of \$50,000 and that \$100,000 will be used for the acceleration of research on the maize dwarf mosaic disease affecting the northern Corn Belt. Next year's budget should include the needed funds to place these projects on a regular basis.

(15) The research needs to cope with the stubborn diseases affecting citrus production in the West should also be considered in the formulation of next year's research budget.

(16) The committee directs that the research on the new disease known as equine piroplasmiasis be maintained at the current level of \$100,000, pending inclusion of adequate funds in the regular research budget next year.

PLANT AND ANIMAL DISEASE AND PEST CONTROL

1965 appropriation.....	\$71,169,200
1966 budget estimate.....	73,160,000
House bill.....	71,119,000
Senate committee recommendation.....	75,060,000
Comparisons with:	
1965 appropriation.....	+3,890,800
Estimate for 1966.....	+1,900,000
House bill.....	+3,941,000

The committee recommends an appropriation of \$75,060,000 to finance the Federal inspection, quarantine, regulatory, and cooperative control program activities financed under this appropriation. The amount recommended is \$3,890,800 over the 1965 appropriation, and

\$1,900,000 the estimates for 1966, and \$3,491,000 over the amount recommended in the House bill.

The committee recommends an appropriation of \$9,357,700 for plant and quarantine inspection at ports of entry. This is an increase of \$215,000 over the budget estimate and \$365,000 over the amount recommended in the House bill. The committee believes that in view of the number of insect pests which have entered this country over the years, it is essential that the surveillance at ports of entry by the plant quarantine and by animal quarantine inspection services be maintained at an adequate level to protect American agriculture from the further introduction of plant pests and animal diseases. These introduced pests and diseases have already caused heavy losses and the expenditure of hundreds of millions of dollars the cost of which is financed by Federal, State, and private appropriations, with cost sharing from producers.

An appropriation of \$1,913,700 is recommended for inspection and quarantine of animals at ports of entry which is \$256,000 over the House bill and \$206,000 over the budget estimate as submitted, to the Congress.

For continuation of the mandatory activities in connection with the administration of the Virus-Serum-Toxin Act to insure the safety and protection of veterinary biologics, an appropriation of \$1,560,700 is recommended. This is an increase of \$50,000 over the House bill, and restores the amount requested in the budget estimate. The increased funds are needed to expand the testing of live virus vaccines which now constitute an estimated 90 percent of the total production of vaccines used in the livestock industry. The committee has concurred in the action by the House to deny an increase for sheep scrapie eradication, but if the Department believes that this proposed program of eradication is important, it should provide more specifics as to the need and the justification for it next year.

The committee recommends an appropriation of \$3,270,000 for the continuation of the Federal costs for the cooperative eradication program on the imported fire ant. This is an increase of \$770,000 over the amount provided in the House bill and \$3,270,000 over the proposal in the budget estimate to eliminate this important cost-sharing program. The budget reduction is based upon a proposed need to reduce Federal expenditures.

Testimony received from departmental and State officials clearly indicates the need of continuing this cost-sharing cooperative control program. The imported fire ant now infest approximately 35 million acres. This insect was imported to this country and causes damage to crop and livestock production in rural areas and causes great physical pain to people living in towns and urban areas. Unless this program is continued and the fire ant is contained within existing areas, it will continue to move north and west and infest much larger areas.

This control program has been beset with difficulties arising from the residues in the effective chemical compounds originally used, which reportedly caused heavy loss to fish and wildlife. The compound called Mirex which is now used is an effective control measure but requires a followup treatment because of its lack of persistency in the soil infested by the fire ants. The eradication measures have been on a cost-sharing basis since the inception of the program. The committee recommends that the program be continued on a cost-sharing

basis and the control methods should continue to be improved as new procedures and materials are developed.

For the control costs on the cereal leaf beetle, a new insect which recently entered this country and which has already caused great loss in the Midwest, the committee recommends an appropriation of \$1,250,000. This is an increase of \$650,000 over the budget estimate submitted to the Congress and \$750,000 over the amount included in the House bill. The control costs of combating the cereal leaf beetle are also on a matching basis, and in view of the increased area infested by this insect, the committee believes that the amount the Department originally requested should be made available in order to provide adequate funds for control measures.

For the cooperative hog cholera eradication program an appropriation of \$4,615,500 is recommended. This is the amount of the budget request, an increase of \$480,000 over the House bill and \$1 million over the 1965 appropriation. The committee believes the full amount requested should be provided to enable the Federal financing in cooperation with the various States in an orderly effort to eliminate hog cholera. The eradication expenses are on a cost-sharing basis.

SCREW-WORM ACTIVITIES

The committee has recommended an appropriation of \$320,000 as requested in the budget to conduct the 1-year field survey of screw-worm operations in the Republic of Mexico to determine the extent of screw-worm infestations in Mexico and their effect on the present barrier zone program. The amount recommended is the amount requested in the budget estimate and an increase of \$70,000 over the House bill.

For the continuation of the maintenance of the existing artificial barrier zone to prevent the screw-worms from reinfesting Texas, New Mexico, and States to the north and west, an appropriation of \$2,806,200 is recommended. This is the same amount as provided in the House bill and is \$2,250,000 under the budget request which proposed that the Federal Government assume the full cost of the maintenance of the barrier zone.

The committee has not been furnished with any evidence that the screw-worm is completely eradicated, and has again provided \$250,000 of funds that do not require matching to cope with emergency outbreaks of the screw-worms that penetrate the barrier zone.

This committee believes that the States, and livestock industry, affected should continue to pay one-half of the cost for the production, irradiation, and release of the screw-worms. An annual contribution of \$2,250,000 for cost sharing is relatively modest in view of the former annual costs and losses which ranged from \$25 to \$100 million annually to producers before the barrier zone was established. The present barrier zone affords a large measure of protection to livestock producers in the Republic of Mexico and it may be possible to obtain some financial assistance from Mexican ranchers or from the Republic of Mexico.

The continuation of the principle of cooperative cost sharing on this program is consistent with the same requirement on the other control programs financed under this appropriation.

It has been the policy to require cost sharing on eradication and control measures dealing with the various insects which enter this

country. Therefore, the committee believes that in order to maintain equity among programs it should insist upon cost sharing in conjunction with the maintenance of the screw-worm barrier zone in the Southwest. In the Southwest the screw-worm is indigenous to the area and has always been present and has always been a factor in the production of livestock. In providing for the maintenance of a regular barrier zone on a permanent basis, the committee has included language in the bill providing for permanent cooperative financing of the maintenance of the present barrier zone. The costs requiring matching are those costs for the production, irradiation and release of the screw-worm flies.

In the second supplemental authorization bill for 1965 the committee provided \$100,000 for the extension of the screw-worm barrier zone to Arizona. The budget estimate for 1966 did not include any funds for this purpose. The committee has recommended the inclusion of \$1 million for the extension of the barrier zone to the west coast with the understanding that \$600,000 of the additional amount recommended is to be matched by cooperators from State, local, and other sources.

The committee has recommended an appropriation of \$200,000 on a cost-sharing basis to initiate an eradication program to eliminate the salmonella disease in poultry.

The committee has concurred in the House action to disallow for this year the request in the budget estimate for construction of the pesticide registration facility at Beltsville, Md., with the understanding of the committee that this facility is to be a part of the pesticide research proposal dealt with in the research appropriation, which the committee has passed over this year without prejudice.

FOOT-AND-MOUTH DISEASE

One of the greatest fears of the U.S. livestock producers is that foot-and-mouth disease might again gain entry into the United States. The attention of the committee has been called to a possible relaxation in the quarantine regulations of the Department of Agriculture. It is reported to be the intention of at least one North American nation to import live animals from countries known to be infested with the foot-and-mouth disease. During the hearings before the committee no mention was made by officials of the Department of any change in regulations affecting quarantine of animals from countries where the foot-and-mouth disease is present.

The committee recommends that the U.S. Department of Agriculture withhold any proposed action in regard to such an important change in livestock policy until the matter is discussed in the presentation of the budget for fiscal 1967 before the appropriate committees, so that there will be a full opportunity to review any changes in regulations contemplated in regard to animal quarantine.

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

1965 appropriation.....	\$2, 000, 000
1966 budget estimate.....	4, 000, 000
House bill.....	2, 000, 000
Senate committee recommendation.....	4, 000, 000
Comparisons with:	
1965 appropriation.....	
Estimate for 1966.....	+2, 000, 000
House bill.....	+2, 000, 000

The committee recommends an appropriation of \$4 million for overseas research financed under the special foreign currency appropriation. The amount recommended is an increase of \$2 million over 1965 and over the House bill, and is the amount requested in the budget estimate.

Of the funds recommended, \$1,750,000 is for market development research authorized by section 104(a), \$100,000 for the translation of scientific publications under section 104(k) and \$2,150,000 for agricultural and forestry research authorized under section 104(k) of Public Law 480. All of the research undertaken under this appropriation is to be directed toward research activities which will result in benefits to American agriculture.

COOPERATIVE STATE RESEARCH SERVICE

PAYMENTS AND EXPENSES

1965 appropriations.....	\$49,997,000
1966 budget estimate.....	52,367,000
House bill.....	51,695,000
Senate committee recommendation.....	55,695,000
Comparisons with:	
1965 appropriation.....	+ 5,698,000
Estimate for 1966.....	+ 3,328,000
House bill.....	+ 4,000,000

The Cooperative State Research Service, formerly known as the Cooperative State Experiment Station Service, was established by Secretary's Memorandum No. 1462 dated July 19, 1961, and supplement 1, dated August 30, 1961, under Reorganization Plan No. 2 of 1953. The primary function of the Service is to administer acts of Congress that authorize Federal appropriations for agricultural research carried on by the State agricultural experiment stations of the 50 States and Puerto Rico. The principal appropriations made under this heading are for the administration of payments to the States under the Hatch Act of 1887, as amended.

The committee recommends an appropriation of \$55,695,000 for the various items financed under this heading. This is an increase of \$5,698,000 over the 1965 appropriation and \$4 million over the House-approved bill and \$3,328,000 over the budget estimates.

The committee has provided an increase of \$1 million over the budget estimate and the House-approved bill of \$47,113,000 for payments to States under the provision of the Hatch Act, as amended. The \$1 million increase is to be used by the States to make pay adjustments for State employees whose salaries are in part financed from this appropriation item. This is consistent with the action taken by the committee 2 years ago following the enactment by Congress of Federal pay legislation.

For grants for cooperative forestry research under the act approved October 10, 1962, the committee recommends an appropriation of \$3 million, an increase of \$1 million over the budget estimate and the House-approved bill, and an increase of \$2 million over 1965.

The budget had requested \$1 million for grants for basic and scientific research of which \$400,000 was proposed to be derived by transfer from section 32 funds. The committee has denied the use of section 32 funds for this purpose, but has included the budget estimate of \$1 million for research work of this nature, an increase of \$600,000 over the House bill.

The committee has approved an additional appropriation of \$1 million for grants for basic scientific research to be used exclusively for the research program to reduce the cost of producing cotton. An appropriation of \$2 million for grants for facilities, as proposed in the budget and approved by the House, is also recommended. An appropriation of \$310,000 for penalty mail is recommended. This is the amount appropriated in previous years, the amount in the budget estimate and the House bill.

For the administrative expenses of the Cooperative Research Service, an appropriation of \$272,000 is recommended, the same amount as approved by the House and appropriated for 1965. This is a reduction of \$72,000 in the budget request.

EXTENSION SERVICE

PAYMENTS TO STATES AND PUERTO RICO

1965 appropriation.....	\$71, 919, 000
1966 budget estimate.....	72, 800, 000
House bill.....	72, 800, 000
Senate committee recommendation.....	75, 600, 000
Comparisons with:	
1965 appropriation.....	+3, 681, 000
Estimate for 1966.....	+2, 800, 000
House bill.....	+2, 800, 000

The cooperative agricultural extension work was established by the Smith-Lever Act of May 8, 1914, as amended. The basic function of the cooperative agricultural extension program is to help people identify and solve their farm, home, and community problems through the use of research findings of the Department of Agriculture and the State land-grant colleges. The program at the State and county levels is financed from the appropriations made in this bill, as well as from State, county, and local sources. The county extension service serves as the focal point in providing leadership and coordination of the educational phases of all Federal programs.

For payments to the States and territory of Puerto Rico for cooperative extension work the committee recommends an appropriation of \$75,600,000. The amount recommended is an increase of \$3,681,000 over the 1965 appropriation and is \$2,800,000 over the budget estimate and the House bill.

The committee directs that the increased funds in the amount of \$2,800,000 be allocated to the States to make comparable salary adjustments for county extension workers to those salary adjustments which were approved last year by the Congress for Federal employees. Based upon past experience, the committee believes that the States and counties will provide their share of increased appropriations necessary to bring about comparable salary adjustments for county extension workers.

For retirement and employees' compensation costs for county extension agents, the committee recommends an appropriation of \$7,857,000, an increase of \$347,000 over the 1965 appropriation and the amount approved in the House bill and the amount requested in the budget estimate.

An appropriation of \$3,113,000 is recommended for penalty mail. This is the amount of the budget estimate, the House bill, and the amount that was appropriated for this purpose in fiscal 1965.

Federal Extension Service.—The committee recommends an appropriation of \$2,565,000 for the Federal Extension Service. The amount recommended is the same amount as provided for 1965 and the amount requested in the budget estimate and provided in the House bill. This office provides leadership and specialized assistance to the State director of extension and to the county extension service. Under the revised formula for the Smith-Lever Act, there is a provision under which 4 percent of increased amounts is to be available for administrative expenses of the Federal Extension Service.

The committee requests that the applicability of this provision not apply to the increase of \$2,800,000 provided for pay adjustments since the allocation of such increased funds does not impose any additional workload upon the Federal Extension Service. Thus the full \$2,800,000 will be allocated to the States.

FARMER COOPERATIVE SERVICE

1965 appropriation.....	\$1, 141, 000
1966 budget estimate.....	1, 241, 000
House bill.....	1, 141, 000
Senate committee recommendation.....	1, 241, 000
Comparisons with:	
1965 appropriation.....	+100, 000
Estimate for 1966.....	-----
House bill.....	+100, 000

The Farmer Cooperative Service conducts research and performs advisory and educational services dealing with the organization, financing, management, and related operating problems of farmer cooperatives.

The committee recommends an appropriation of \$1,241,000 for 1966. This is an increase of \$100,000 over the appropriation for 1965 and is the amount of the budget estimate and an increase of \$100,000 over the amount approved by the House. The increase is provided to improve research and technical assistance to farmer cooperatives to meet the problems with which farmer cooperatives are faced in today's fast-changing economic environment.

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

1965 appropriations.....	\$104, 233, 000
1966 budget estimate.....	104, 103, 000
House bill.....	105, 373, 000
Senate committee recommendation.....	106, 373, 000
Comparisons with:	
1965 appropriation.....	+2, 140, 000
Estimate for 1966.....	+2, 270, 000
House bill.....	+1, 000, 000

The committee recommends an appropriation of \$106,373,000 for conservation operations. The funds under this item are used to conduct a nationwide program of technical assistance to soil conservation districts, conduct soil surveys, operate plant materials centers, and to carry out related technical advisory activities in conjunction with our national soil conservation programs.

The amount recommended is \$2,140,000 over the 1965 appropriation, \$2,270,000 over the 1966 budget estimate, and \$1 million over the amount carried in the House bill. The increased funds are to be used to accelerate assistance to organized soil and water conservation districts. The 1966 budget proposed legislation to establish a re-

volving fund which would require that part of the cost for technical assistance now furnished by the agency would be charged to the farmer. The proposed legislation has not been approved by the Congress and it is the understanding of the committee that no change in financing will be undertaken in the absence of such legislation.

The committee expects the agency, from within funds provided, to develop a more specific proposal to establish soil conservation show cases, and will expect that the need and financing of conservation show cases will be given consideration in the formulation of the budget for 1967.

The committee has not approved the proposal in the activity structure to provide technical service to urban areas or to suburban areas adjacent thereto.

WATERSHED PLANNING

1965 appropriation.....	\$5,721,000
1966 budget estimate.....	5,721,000
House bill.....	5,721,000
Senate committee recommendation.....	5,721,000
Comparisons with:	
1965 appropriation.....	
Estimate for 1966.....	
House bill.....	

Under the heading of "Watershed planning," the committee is recommending an appropriation of \$5,721,000. This is the same amount as appropriated in 1965, the amount in the 1966 budget estimate, and the amount carried in the House bill. This will allow the watershed planning program to continue at the 1965 level. The applications for planning assistance totaled 2,137 as of June 30, 1964. Of the 1,877 which were considered suitable for planning, 1,002 were approved for this purpose; plans had been completed on 617, and 875 remained to be planned.

WATERSHED PROTECTION

1965 appropriation.....	\$61,020,000
1966 budget estimate.....	67,171,000
House bill.....	64,171,000
Senate committee recommendation.....	65,671,000
Comparisons with:	
1965 appropriation.....	+4,651,000
Estimate for 1966.....	-1,500,000
House bill.....	+1,500,000

The committee is recommending an appropriation of \$65,671,000, for watershed protection. This is \$1,500,000 below the 1966 budget estimate. This amount is \$4,651,000 over the 1965 appropriation, and \$1,500,000 over the amount recommended by the House.

This amount recommended provides for an increase of \$4,651,000 over 1965 for river basin surveys, and for advanced engineering and works of improvement, and loans on Public Law 566 projects.

The committee action partially restores the budget request to provide a loan limitation of \$5.5 million, and an increase of \$1,500,000 over the House bill.

FLOOD PREVENTION

1965 appropriation.....	\$26,317,000
1966 budget estimate.....	25,417,000
House bill.....	25,417,000
Senate committee recommendation.....	25,417,000
Comparisons with:	
1965 appropriation.....	-900,000
Estimate for 1966.....	
House bill.....	

An appropriation of \$25,417,000 is recommended for carrying out the flood prevention and watershed protection program for the watershed projects financed under this item. This is the full budget estimate for 1966, and the same amount carried in the House bill. The reduction of \$900,000 below the 1965 appropriation results from the fact that funds provided in the supplemental last year for emergency conservation measures in California are not required this year.

GREAT PLAINS CONSERVATION PROGRAM

1965 appropriation.....	\$14,864,000
1966 budget estimate.....	14,864,000
House bill.....	14,864,000
Senate committee recommendation.....	17,432,000
Comparisons with:	
1965 appropriation.....	+2,568,000
Estimate for 1966.....	+2,568,000
House bill.....	+2,568,000

For the Great Plains conservation program, the committee recommends \$17,432,000. This is \$2,568,000 over the amount appropriated in 1965, the 1966 budget estimate, and the House bill. The sum will allow the program to catch up with the 4,500 applications which are now pending. During fiscal year 1964, five additional counties were designated for participation in the program, about 4,500 farmers and ranchers applied for program assistance, and 3,719 new contracts were signed, making a total of nearly 34 million acres placed under cost-share contracts.

The action of the committee to increase the appropriation by \$2,568,000 is for the purpose of enabling the agency to provide technical and conservation assistance to reduce the backlog of an estimated 4,600 unserved applications on hand from farmers and ranchers.

RESOURCE CONSERVATION AND DEVELOPMENT

1965 appropriation.....	\$1,813,000
1966 budget estimate.....	4,303,000
House bill.....	2,813,000
Senate committee recommendation.....	4,303,000
Comparisons with:	
1965 appropriation.....	+2,490,000
Estimate for 1966.....	
House bill.....	+1,490,000

For this item, the committee recommends \$4,303,000, the same amount as the 1966 budget estimate. This is \$2,490,000 over the 1965 appropriation and \$1,490,000 over the House bill.

This increase provides \$290,000 for project planning to provide a total of \$600,000 to start planning activity in additional projects and \$1,200,000 to accelerate the resource development operations in existing projects.

The committee has also recommended that the limitation on loans and related expenses be increased to \$1,500,000 which was the amount requested in the budget estimate. This is a \$500,000 increase over the House limitation.

ECONOMIC RESEARCH SERVICE

1965 appropriation-----	\$10,922,000
1966 budget estimate-----	11,366,000
House bill-----	11,072,000
Senate committee recommendation-----	11,591,000
Comparisons with:	
1965 appropriation-----	+669,000
Estimate for 1966-----	+225,000
House bill-----	+519,000

The Economic Research Service was established by Secretary's Memorandum No. 1446, Supplement No. 1, of April 3, 1961, under Reorganization Plan No. 2 of 1953 and other authorities. The Service develops and carries out a program of economic research designed to benefit farmers and the general public. The findings of this research are made available to farmers and others through research reports and through economic outlook and situation reports on major commodities, the national economy, and the international economy.

The committee recommends an appropriation of \$11,591,000. This is an increase of \$669,000 over the appropriation for 1965, \$225,000 above the estimate for 1966, and \$519,000 over the amount recommended in the House bill. The increases over 1965 include \$200,000 for a 1-year study and analysis of the away-from-home market for food. This amount is recommended with the understanding that it will be matched by the food industry. This item had been denied by the House, but based upon testimony received from the Department and the affected food industries, the committee believes that funds should be provided for this cooperative undertaking. The committee has also provided the full budget estimate for increases as follows: \$50,000 for research on the financial management of family farms for which the House had approved \$30,000; a \$104,000 increase for the economic analysis of water management for which the House bill provided \$60,000; and \$90,000 for accelerating the economic analysis of agricultural exports and imports for major trading countries and to develop export outlook projections for U.S. products in foreign markets, for which the House approved \$60,000.

In addition, the committee recommends an appropriation of \$150,000 for a 2-year study on the problem of egg pricing. An increase of \$35,000 is recommended for economic research in Hawaii for investigations of water economics, water utilization, and water institutions in that State.

The committee has also included an additional \$40,000 for economic research in conjunction with flowers and ornamentals. The committee believes that adequate attention should be given in both agricultural and economic research to the rapidly developing flower and ornamental industry in this country.

STATISTICAL REPORTING SERVICE

1965 appropriation.....	\$11,866,000
1966 budget estimate.....	13,595,000
House bill.....	13,595,000
Senate committee recommendation.....	13,875,000
Comparisons with:	
1965 appropriation.....	+2,009,000
Estimate for 1966.....	+280,000
House bill.....	+280,000

The Statistical Reporting Service was established by Secretary's Memorandum No. 1446, Supplement 1, of April 3, 1961, under Reorganization Plan No. 2 of 1953 and other authorities. The Service was created to give coordinated leadership to the statistical reporting research and service programs of the Department. It provides a channel for the orderly flow of statistical intelligence about the agricultural economy of this country. The primary responsibilities of this Service are the nationwide crop and livestock estimates, coordination and improvement in the Department's statistical requirements, and special surveys of market potentials for agricultural products.

An appropriation of \$13,875,000 is recommended for fiscal 1966. This is an increase of \$2,009,000 over the 1965 appropriation for this agency, and is \$280,000 over the budget estimate and the House bill.

For several years an experimental program, financed under the appropriation, "Payments to States," has been conducted in conjunction with crop estimates on fruits, nuts, and vine crops in the State of California. The State of California has provided a \$40,000 appropriation to bear one-half of the cost of placing this program on a permanent matching basis. The committee has recommended the inclusion of \$40,000 for the Federal cost share. An increase of \$15,000 is recommended for the development and issuance of annual estimates on the mushroom crop. This crop has an annual value of \$36 million and the committee believes that in view of the difficulties faced by the producers that annual production estimates should be provided.

The committee has included \$225,000 for completion of the first phase of the long-range program for improving crop and livestock estimates. The action of the committee provides a total of \$4,045,100 for the expanded program, thereby placing this on a full operating basis in all the States except Alaska and Hawaii.

In conjunction with the budget estimates for this agency, there was a proposal to eliminate the cut flower survey in the amount of \$87,000, to eliminate the issuance of certain seed reports in the amount of \$14,000, and to eliminate cattle on feed reports in the amount of \$125,000. The House committee denied this proposal in the budget to eliminate these programs at the expense of increasing the long-range program for improving crop and livestock estimates.

The committee concurs in the action taken by the House and advises the Department that it believes that Congress also has some responsibility in the establishment of priorities for crop and livestock estimate activities and projects. It hopes the Department will keep this in mind in the formulation of future budget requests. The major increase over 1965 is an item of \$1,729,000 for the purchase of a large-scale computer for use in connection with the various livestock and crop estimates and specialty crop reports issued by the agency. This nonrecurring expenditure has been approved by the House and the committee concurs in the acquisition of the computer and the related costs incident to installation.

CONSUMER AND MARKETING SERVICE

The Consumer and Marketing Service, formerly known as the Agricultural Marketing Service, was established February 8, 1965, pursuant to Reorganization Plan No. 2 of 1953, under terms of the Reorganization Act of 1949, as amended (5 U.S.C. 1332). The Service aids in advancing the orderly and efficient marketing and the effective distribution of products from the Nation's farms. It serves consumers directly through the mandatory inspection of meat and poultry for wholesomeness, the school lunch, special milk, and food stamp programs, and through direct distribution of commodities acquired under section 32 and by CCC.

The domestic marketing and distribution functions of the Department are centered primarily in this service and are described more specifically under the various appropriations items.

CONSUMER PROTECTIVE, MARKETING AND REGULATORY PROGRAMS

1965 appropriation.....	\$73,752,000
1966 budget estimate.....	76,437,000
House bill.....	75,852,000
Senate committee recommendation.....	76,412,000
Comparisons with:	
1965 appropriation.....	+2,660,000
Estimate for 1966.....	-25,000
House bill.....	+560,000

The activities financed under this appropriation contribute to consumer protection and to the efficient and orderly marketing of agricultural commodities.

Pursuant to the reorganization plan announcing the establishment of the Consumer and Marketing Service, the appropriation estimate for meat inspection, formerly administered under the Agricultural Research Service, was transferred to this appropriation under an amendment to the budget transmitted in House Document 154, dated April 26, 1965.

The separate appropriation for meat inspection in fiscal 1965 was \$33,265,000 and the appropriation for mandatory poultry inspection was \$17,166,800. Mandatory meat and poultry inspection services are now administered by this agency and appropriated for under this item.

The same reorganization plan also announced the consolidation of all warehouse examination activities of the Department under the Consumer and Marketing Service by transfer of warehouse examination functions from the Agricultural Conservation and Stabilization Service. The consolidation of the transferred warehousing functions with the administration of the U.S. Warehouse Act, under this agency, is to be effective July 1, 1965.

Other activities financed under this appropriation include the market news services for major commodities; the inspection, grading, classing, and standardization work for a number of commodities; and the administration of regulatory activities such as the Packers and Stockyards Act and the U.S. Warehouse Act.

The committee recommends an appropriation of \$76,412,000 for fiscal 1966. This is an increase of \$2,660,000 over comparative appropriations for 1965, and is \$25,000 below the estimate for 1966, and \$560,000 above the amount recommended in the House bill.

The action recommended by the committee restores the full budget estimate of \$35,370,000 for meat inspection, an increase of \$216,000 over the House bill. It also provides the full estimate of \$17,401,800 for mandatory poultry inspection, an increase of \$24,000 over the House bill. It provides \$20,000 for reimbursement to the employees' compensation fund which has been denied by the House. The committee has also recommended an appropriation of \$2,530,300 for the administration of the Packers and Stockyards Act, an increase of \$200,000 over the House bill. The House had denied the increase of \$200,000 but the committee believes that adequate funds should be provided for carrying out the necessary investigations and supervision of persons and firms subject to the act as proposed in the budget in conjunction with regulatory activities affecting meat and poultry commodities.

The committee has also approved an appropriation of \$1,243,200 for the administration of the U.S. Warehouse Act, an increase of \$100,000 over the House which had denied this amount. The increased funds are to be used to accelerate inspection of warehouses under the U.S. act. The committee has concurred in the action of the House to deny an increase of \$25,000 for livestock, meat, and wool grading and other standardization work. It believes that essential increased workload can be absorbed by redirection of the present activities financed by this project for which \$420,600 is provided.

PAYMENT TO STATES AND POSSESSIONS

1965 appropriation	\$1,500,000
1966 budget estimate	1,500,000
House bill	1,500,000
Senate committee recommendation	2,000,000
Comparisons with:	
1965 appropriation	+500,000
Estimate for 1966	+500,000
House bill	+500,000

The Service administers the matched fund program for marketing activities carried out through cooperative arrangements by State departments of agriculture, bureaus of markets, and similar State agencies. These payments to States for this purpose were authorized under section 204(b) of the Agricultural Marketing Act of 1946.

For this program an appropriation of \$2 million is recommended. These funds are matched by the States and the increase provided will enable the Department to meet more nearly the increasing demand under this program for this purpose. The committee is advised that the State legislatures have provided over \$3.5 million for cost-sharing projects which qualify under section 204(b) of the Agricultural Marketing Act of 1946.

SPECIAL MILK PROGRAM

1965 appropriation	¹ \$103,000,000
1966 budget estimate	100,000,000
House bill	100,000,000
Senate committee recommendation	108,000,000
Comparisons with:	
1965 financing	+5,000,000
Estimate for 1966	+8,000,000
House bill	+8,000,000

¹ In 1965 a transfer of \$51,500,000 from sec. 32 was authorized together with a direct appropriation of \$51,500,000.

Under the program, assistance is provided to the States and to eligible nonprofit organizations and child care institutions, primarily for the purpose of increasing the consumption of fluid milk. This program was authorized in fiscal 1955 and financed by advances from the Commodity Credit Corporation. Public Law 87-128, approved August 8, 1961, changed the financing of the program to a direct appropriation beginning with July 1, 1962.

For fiscal 1966 an appropriation of \$108 million is recommended. This is an increase of \$5 million over 1965 financing and an increase of \$8 million over the budget estimate and the House bill.

The committee believes that the budget proposal to reduce the program by \$3 million under the 1965 level on a funds available basis is inconsistent with the legislative intent of the program authorization. The action recommended by the committee to provide \$108 million is more in keeping with the intent of the legislation and will meet most of the increase in demand for the special milk program.

SCHOOL LUNCH PROGRAM

1965 appropriation.....	\$146,400,000
1966 budget estimate.....	157,000,000
House bill.....	155,000,000
Senate committee recommendation.....	155,000,000
Comparisons with:	
1965 appropriation.....	+8,600,000
Estimate for 1966.....	-2,000,000
House bill.....	

The committee recommends a direct appropriation of \$155 million for 1966. This amount together with a transfer of \$45 million from section 32 permanent authorization for the purchase of food commodities pursuant to section 6 of the School Lunch Act, as amended, makes a total of \$200 million available in 1966 for school lunch program assistance. This is an increase of \$8,600,000 over 1965, the amount of the House bill, and \$2 million under the budget estimate.

This appropriation provides a regular cash payment to the States of \$138,590,000, an increase of \$8.6 million over 1965, which together with commodity procurement assistance of \$59,325,000, makes a total of \$197,915,000 for regular school lunch assistance. This is the same amount for this purpose as provided in the House bill and requested in the budget estimate. The increased amount of \$8.6 million available under cash payments to States, together with the fund for commodity purchases, is estimated to provide an average reimbursement rate of 5 cents per meal served, according to testimony presented to the committee by departmental officials.

The committee has concurred in the action of the House to deny the request in the budget estimate of \$2 million requested for special assistance as authorized by section 11 of the School Lunch Act, as amended.

FOOD STAMP PROGRAM

1965 appropriations.....	\$60,000,000
1966 budget estimate.....	100,000,000
House bill.....	100,000,000
Senate committee recommendation.....	80,000,000
Comparisons with:	
1965 appropriation.....	+20,000,000
Estimate for 1966.....	-20,000,000
House bill.....	-20,000,000

The committee recommends a direct appropriation of \$80 million, and reappropriation of \$20 million from funds made available in 1965 to provide the full estimate of \$100 million for expenses of the food stamp program, as authorized by the Food Stamp Act of 1964.

It is expected that the Food Stamp Program will be extended to 41 States and the District of Columbia during fiscal 1966. This expansion will provide for the 43 areas formerly under the pilot program and will include about 150 counties and political subdivisions. Based upon estimates of the Department, it is expected that by the end of fiscal 1966 the participation will number 1,100,000 and the average cost per person will be about \$90.00.

The provision recommended for inclusion in the bill by the committee which provides a reappropriation of \$20 million reads as follows:

Provided, That, in addition, not more than \$20,000,000 of the amount appropriated under this head for the previous fiscal year may be transferred to and merged with this appropriation

FOREIGN AGRICULTURAL SERVICE

1965 appropriation.....	\$20,779,000
1966 budget estimate.....	20,574,000
House bill.....	20,574,000
Senate committee recommendation.....	20,574,000
Comparisons with:	
1965 appropriation.....	-205,000
Estimate for 1966.....	
House bill.....	

The Foreign Agricultural Service was established March 10, 1953, by Secretary's Memorandum No. 1320, Supplement 1. Public Law 690, approved August 28, 1954, transferred the agricultural attachés from the Department of State to the Foreign Agricultural Service. More recently, the Secretary has assigned to the Service, by transfer from other agencies of the Department, responsibility for the barter and stockpiling program; general sales management for Government-owned surplus commodities; ocean transportation functions related to the export of commodities under U.S. programs; and activities relating to developing, evaluating, and reviewing the program for donations of food abroad through voluntary agencies, pursuant to title III of Public Law 480.

The primary function of the Foreign Agricultural Service is to help American agriculture in maintaining and expanding foreign markets for its products.

It maintains a worldwide agricultural intelligence and reporting service to assist U.S. agricultural industry in its export operations. This is done through a continuous program of analyzing and reporting foreign agricultural production, markets, and policies.

It helps to develop foreign markets for U.S. farm products through administration of special export programs and through helping to secure international trade conditions that are favorable toward our products.

An appropriation of \$20,574,000 is recommended for 1966. This is a net decrease of \$205,000 under the 1965 appropriation, and is the amount requested in the estimate and carried in the House bill. The

net decrease under 1965 results from a decrease of \$285,000 in financing expenses in Brazil for next year from the special foreign currency funds, and an increase of \$80,000 to strengthen agriculture attaché services in Chile and to strengthen representation on the OECD staff. In addition to direct appropriations the agency has \$3,117,000 by transfer from section 32, and a transfer of \$1,752,000 from the Commodity Credit Corporation. The transfer from CCC is used to finance the operations of general sales management, to perform functions related to ocean transportation, for work in connection with foreign donations, and related activities.

The dollars for market development activities which are provided in this appropriation are used almost exclusively for the purchase of foreign currencies accruing under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480). Such currencies are expended in accordance with the authorities contained in section 104(a) of the act. The United States has been carrying on discussions with other countries that are members of the International Cotton Advisory Committee with a view to sponsoring a continuing program for promoting the consumption of cotton and cotton products on an international basis. Foreign currencies purchased with dollars made available for market development activities are available under the authority of section 104(a) for use by the United States to finance its share of cost in participating in any international arrangements for cotton promotion that result from these discussions, inasmuch as they would help in developing new markets for cotton produced in the United States.

COMMODITY EXCHANGE AUTHORITY

1965 appropriation.....	\$1, 169, 000
1966 budget estimate.....	1, 169, 000
House bill.....	1, 169, 000
Senate committee recommendation.....	1, 169, 000
Comparisons with:	
1965 appropriation.....	-----
Estimate for 1966.....	-----
House bill.....	-----

The Commodity Exchange Authority administers the Commodity Exchange Act of September 21, 1922, as amended. The objectives of the act are to prevent commodity price manipulation and market corners; prevent dissemination of false and misleading crop and market information affecting commodity prices; protect hedgers and other users of the commodity futures markets against cheating, fraud, and manipulative practices; insure the benefits of membership privileges on contract markets to cooperative associations of producers; insure trust-fund treatment of margin moneys and equities of hedgers and other traders and prevent the misuse of such funds by brokers; and provide information to the public regarding trading operations and contract markets.

An appropriation of \$1,169,000 is recommended for the operation of the agency. This is the amount of the budget estimate and the House bill, and the amount of the appropriation for 1965.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

The Agricultural Stabilization and Conservation Service was established by the Secretary of Agriculture on June 5, 1961, under the authority of Reorganization Plan No. 2 of 1953, in accordance with the Reorganization Act of 1949, as amended (5 U.S.C. 133z).

EXPENSES, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

1965 appropriation.....	\$108, 552, 000
1966 budget estimate.....	138, 350, 000
House bill.....	111, 714, 000
Senate committee recommendation.....	135, 350, 000
Comparisons with:	
1965 appropriation.....	+ 26, 798, 000
Estimate for 1966.....	- 3, 000, 000
House bill.....	+ 23, 636, 000

Under this appropriation item funds are made available for the administrative expenses of a number of farm programs administered by the Agricultural Stabilization and Conservation Service. These programs include acreage allotments and marketing quotas, the conservation reserve program, the crop conversion program, the agricultural conservation and land use adjustment programs, the Sugar Act program, together with price support, and related program activities dealing with a number of agricultural commodities.

The committee recommends a direct appropriation of \$135,350,000. This is an increase of \$26,798,000 over the 1965 appropriation, and is \$3 million under the estimate, and an increase of \$23,636,000 over the House bill.

The committee also recommends \$75,390,000 in language transfer from the commodity credit corporate funds for administrative expenses. This is \$21,225,000 under the House bill and the amount requested in the budget estimate. The increase in direct appropriation over 1965 arises principally from the fact that the legislation for the voluntary wheat diversion program authorized the use of corporation funds in lieu of appropriations, and to correct the present practice of charging CCC funds with expenses more properly chargeable to appropriated funds.

The total amount available for administrative expenses recommended by the committee is \$210,740,000 of which \$135,350,000 is by appropriation and \$75,390,000 by transfer, an increase of \$2,411,000 over the House bill and \$3 million under the budget estimate.

The House committee report took note of the proposed changes being considered by the Department in connection with skip-row planting of cotton. The committee concurs in the view expressed in the House report that there should be no change in connection with skip-row planting until pending the enactment of new cotton legislation. The House committee commented in regard to the proposal to change the administration of the cotton loan program by providing disbursement of loans from county offices. This committee shares the view of the House committee that such a change may increase the administrative cost and provide inconvenience to the producer.

SUGAR ACT PROGRAM

1965 appropriation.....	\$96,000,000
1966 budget estimate.....	95,000,000
House bill.....	95,000,000
Senate committee recommendation.....	95,000,000
Comparisons with:	
1965 appropriation.....	—1,000,000
Estimate for 1966.....	
House bill.....	

An appropriation of \$95 million is recommended for payments to domestic producers of sugarbeets and sugarcane who comply with special requirements under the Sugar Act, as amended. The amount included represents the estimate for 1966 and the amount in the House bill, and is a decrease of \$1 million under the 1965 appropriation.

The excise tax collections from the sugar tax on cane and beet sugar processed in or imported for direct consumption have amounted to \$2.2 billion from 1938 to 1964. Such collections exceed payments by \$541,557,000.

AGRICULTURAL CONSERVATION PROGRAM

1965 appropriation.....	\$225,000,000
1966 budget estimate.....	220,000,000
House bill.....	220,000,000
Senate committee recommendation.....	220,000,000
Comparisons with:	
1965 appropriation.....	—5,000,000
Estimate for 1966.....	
House bill.....	

This program is authorized by the provisions of section 7 to 16(a), inclusive, and section 17 of the Soil Conservation and Domestic Allotment Act, as amended. The act aims at restoring and improving soil fertility. It contributes to reducing erosion caused by wind and water. It also helps in conserving water on land. Costs are shared with individual farmers and ranchers who perform approved soil-building and soil- and water-conserving practices on their farms. This assistance represents only a part of the cost of performing the practice. The farmer bears the balance of the cost which amounts to about 50 percent. He supplies the labor and management necessary to carry out the practice. Allocations are made to States based upon conservation needs.

An appropriation of \$220 million is recommended to carry out payments earned under the 1965 program authorized a year ago. This is the amount of the budget estimate and the House bill and a decrease of \$5 million under the 1965 appropriation.

The committee recommends an advance authorization for the 1966 program of \$220 million. This is the amount provided last year and the amount carried in the House bill, and an increase of \$100 million over the budget request. In addition, \$30 million for administrative expenses is available under the appropriation of "Expenses, ASCS."

CROPLAND CONVERSION PROGRAM

1965 appropriation.....	\$15,000,000
1966 budget estimate.....	10,000,000
House bill.....	7,500,000
Senate committee recommendation.....	10,000,000
Comparison with:	
1965 appropriation.....	-5,000,000
Estimate for 1966.....	
House bill.....	+2,500,000

Section 16(e) of the Soil Conservation and Domestic Allotment Act, as amended by section 101 of the Food and Agriculture Act of 1962, provides for long-term cropland conversion agreements. Under these agreements cropping systems and land uses will be changed to permanently shift to better productive use cropland which is not well suited for crop use. They also temporarily shift to better productive use, and to use for other purposes, land which is suitable for crop use but not currently needed for crops.

An appropriation of \$10 million is recommended for the 1966 pilot cropland conversion program. This is the full amount under the current authorization act for any one calendar year. The amount recommended is \$2,500,000 over the House bill, the amount of the budget request, and \$5 million under the 1965 appropriation, which financed costs for two calendar years.

CONSERVATION RESERVE PROGRAM

1965 appropriation.....	\$194,000,000
1966 budget estimate.....	150,000,000
House bill.....	140,000,000
Senate committee recommendation.....	146,000,000
Comparisons with:	
1965 appropriation.....	-48,000,000
Estimate for 1966.....	-4,000,000
House bill.....	+6,000,000

The conservation reserve program is authorized by the Soil Bank Act of 1956. It was a voluntary program under which the Secretary was authorized to enter into 3- to 10-year contracts with farmers to withdraw specified acreages of cropland from production and devote it to conservation uses. In return for removing designated cropland from production and for establishing necessary conservation practices on this land, the farmer receives an annual rental payment each year of the contract period, and received cost-sharing assistance for the establishment of the required conservation practices. Most contracts will have terminated by the fiscal year 1970.

The committee recommends an appropriation of \$146 million to carry out payments required on outstanding conservation reserves contracts. The amount recommended is \$48 million under the 1965 appropriation, and is \$6 million over the amount in the House bill, and \$4 million under the budget estimate.

EMERGENCY CONSERVATION MEASURES

1965 appropriations.....	\$14,000,000
1966 budget estimate.....	¹ 24,000,000
House bill.....	4,000,000
Senate committee recommendation.....	30,000,000
Comparisons with:	
1965 appropriation.....	+16,000,000
Estimate for 1966 ¹	+6,000,000
House bill.....	+26,000,000

¹ Includes \$20,000,000 budget amendment transmitted in S. Doc. 38.

The program of emergency assistance was authorized by the Third Supplemental Appropriation Act of 1957 (Public Law 85-58). Assistance is available only when, as a result of wind erosion, floods, hurricanes, or other natural disasters, new conservation problems are created which (1) if not treated, will impair or endanger the land; (2) materially affect the productive capacity of the land; (3) represent damage which is unusual in character and, except for wind erosion, is not the type which would recur frequently in the same area; and (4) will be so costly to rehabilitate that Federal assistance is or will be required to return the land to productive agricultural use.

The committee recommends an appropriation of \$30 million for emergency conservation measures. The amount recommended is \$6 million over the amount of the estimate for 1966, including the increase of \$20 million recommended in Senate Document 38, the budget amendment transmitted directly to the Senate on June 22, 1965. The committee was advised during the course of hearings that the Department had requested \$26 million in addition to the \$4 million in the original budget estimate for 1966.

In view of the number of floods and other disasters which have been occurring and which affect areas eligible for cost-sharing assistance under this appropriation, the committee believes that \$30 million is the minimum that should be available for emergency purposes. The committee has previously urged the Department to request adequate funds in conjunction with the regular appropriation for emergency conservation measures and believes that the amount recommended will enable the Department to move in the direction of keeping more current with the needs to repair agricultural land as a result of damage from floods, hurricanes, and other natural disasters.

If the amounts provided in this bill are not adequate the committee expects the Bureau of the Budget to make available to the Department of Agriculture additional funds from the President's disaster relief fund to meet all needs resulting from disasters. As previously stated the committee believes that this fund should be established at an adequate level to meet the needs as they occur. Some years such needs are relatively small, but no one knows from year to year the extent of disasters and these funds cannot be spent unless the requirements set forth in the criteria are met. Thus, it is evident to the committee that adequate financing should be established for this fund to enable the Department to render prompt cost-sharing assistance after the necessary procedures are followed under the disaster relief laws. Farmers who qualify for assistance can then proceed in an orderly manner rather than to be subjected to long delays and uncertainties in connection with the availability of Federal assistance for the repair of damaged lands.

RURAL COMMUNITY DEVELOPMENT SERVICE

1965 appropriation.....	\$132, 000
1966 budget estimate.....	750, 000
House bill.....	500, 000
Senate committee recommendation.....	750, 000
Comparisons with:	
1965 appropriation.....	+618, 000
Estimate for 1966.....	-----
House bill.....	+250, 000

The Rural Community Development Service has been established as a new agency of the Department. It includes the activities of the former Office of Rural Areas Development established June 16, 1961, to provide for general staff coordination of the rural areas development activities of the Department. In addition, it will undertake to facilitate the effective extension into rural areas of assistance programs of other Federal agencies which do not now effectively reach rural areas because of the administrative difficulties of communicating with the dispersed rural population. It will work with local organizations and leaders in helping them to locate and use the facilities of private, State, and other Federal agencies in developing the economy of rural areas, particularly those of low income.

An appropriation of \$750,000 is recommended for staff coordination of rural areas activities for 1966. This is an increase of \$618,000 over 1965, the amount requested in the budget estimate, and an increase of \$250,000 over the amount recommended in the House bill.

OFFICE OF THE INSPECTOR GENERAL

1965 appropriation.....	\$10,116,000
1966 budget estimate.....	10,961,000
House bill.....	10,416,000
Senate committee recommendation.....	10,491,000
Comparisons with:	
1965 appropriation.....	+375,000
Estimate for 1966.....	-470,000
House bill.....	+75,000

Internal audit and investigation activities are carried out by the Office of the Inspector General which was established by the Secretary of Agriculture's Memorandum No. 1503, dated June 25, 1962, and No. 1524, dated December 21, 1962. The Office is responsible to the Secretary for assuring that existing laws, policies, and programs of the Secretary are effectively complied with on every level of administration in accordance with the intent of the Congress and the Secretary. It insures prompt and appropriate corrective action in those areas in which deviation from established law, policy, procedure, rules, or regulations has developed; and conducts internal audit and investigative activities within the Department and coordinates and correlates them with various investigative agencies of the executive and legislative branches of the Government.

An appropriation of \$10,491,000 is recommended for fiscal 1966. This is an increase of \$375,000 over the 1965 appropriation, an increase of \$75,000 over the House bill, and \$470,000 under the budget estimate.

The committee has recommended an increase of \$75,000 over the House bill for the acceleration of necessary audit and investigative activities in conjunction with the food stamp program. This is a partial restoration of the estimate of \$458,000 requested in the budget estimate for this purpose. The committee has concurred in the action of the House to deny an increase of \$387,000 for increases proposed for other investigative activities.

OFFICE OF THE GENERAL COUNSEL

1965 appropriation.....	\$4, 039, 000
1966 budget estimate.....	4, 229, 000
House bill.....	4, 139, 000
Senate committee recommendation.....	4, 229, 000
Comparisons with:	
1965 appropriation.....	+190, 000
Estimate for 1966.....	
House bill.....	+90, 000

The General Counsel, as chief law officer of the Department, is responsible for providing legal services for all programs, operations, and activities of the Department. He serves as General Counsel for the Commodity Credit Corporation and for the Federal Crop Insurance Corporation, and represents the Secretary of Agriculture in administrative proceedings involving freight rates on farm commodities including appeals from the Interstate Commerce Commission.

The committee recommends an appropriation of \$4,229,000 for the Office of the General Counsel. This is an increase of \$190,000 over the 1965 appropriation, the amount in the estimate and an increase of \$90,000 over the House bill.

The increased funds are provided for additional legal services for the food stamp program, for additional work in connection with the Packers and Stockyards Act, for increased legal work in connection with servicing of the expanded programs of the Farmers Home Administration, and for additional legal services in connection with expanded activities of the Forest Service.

OFFICE OF INFORMATION

1965 appropriation.....	\$1, 689, 000
1966 budget estimate.....	1, 689, 000
House bill.....	1, 689, 000
Senate committee recommendation.....	1, 689, 000
Comparisons with:	
1965 appropriation.....	
Estimate for 1966.....	
House bill.....	

The Office has general direction and supervision of all publications and other information policies and activities of the Department including the final review, illustrating, printing, and distribution of publications; clearance and release of press, radio, television, and magazine materials; maintenance of central files of news and general illustration-type photographs; and the preparation and distribution of exhibits and motion pictures. The Office publishes the Yearbook of Agriculture, the annual report of the Secretary of Agriculture, the Department directory, and the Department list of publications; handles the details of distributing farmers' bulletins allotted to Members of Congress; and services letter and telephone requests for general information received in the Department.

An appropriation of \$1,689,000 is recommended for fiscal 1966 for the Office of Information. This is the amount provided in 1965, the amount of the budget estimate for 1966, and the amount carried in the House bill.

NATIONAL AGRICULTURAL LIBRARY

SALARIES AND EXPENSES

1965 appropriation.....	\$1, 599, 000
1966 budget estimate.....	1, 865, 000
House bill.....	1, 599, 000
Senate committee recommendation.....	1, 865, 000
Comparisons with:	
1965 appropriation.....	+ 266, 000
Estimate for 1966.....	
House bill.....	+266, 000

The National Agricultural Library makes available to the research workers of the Department and the State agricultural colleges, as well as to the general public, the agricultural knowledge of the world that is contained in published literature. This reduces duplication of effort and avoids diversion of valuable time of scientists and administrators by letting them know what has been done previously in their fields.

The library collects current and historical published material and organizes it for maximum service to the Department and to the public through reference services, loans of publications, bibliographical services, and photoreproductions of library material. It issues a monthly Bibliography of Agriculture in which is listed the agricultural literature of the world. The book collection approximates 1 million volumes, and it has not been currently maintained as to coverage or by a system that will provide the research workers with timely and complete information.

The committee recommends an appropriation of \$7 million for the construction of modern and adequate facilities for the National Agricultural Library, to be located on a site at the Agricultural Research Center, Beltsville, Md. This is the amount of the estimate and the amount carried in the House bill. In 1964, an appropriation of \$450,000 was approved for the development of architectural plans and specifications for new library facilities.

For salaries and expenses the committee recommends an appropriation of \$1,865,000, an increase of \$266,000 over 1965, the amount requested in the budget, and an increase of \$266,000 over the House bill.

The increased funds are recommended to enable the library to expand the coverage of, and to continue the development of a comprehensive mechanized storage, retrieval, and publication system for the Bibliography of Agriculture. This bibliography is recognized as the most important indexing source available to research scientists, and the request of an increase of \$216,000 for this purpose is recommended by the committee.

An increase of \$50,000 over 1965 is also recommended for the acquisition and cataloging of books and periodicals. The use of the increased funds would be limited to the most essential books and publications, to maintain the periodical acquisition program, and to make these books and periodicals acquired available for use.

OFFICE OF MANAGEMENT SERVICES

1965 appropriation-----	\$2, 483, 000
1966 budget estimate-----	2, 579, 000
House bill-----	2, 483, 000
Senate committee recommendation-----	2, 500, 000
Comparisons with:	
1965 appropriation-----	+17, 000
Estimate for 1966-----	-79, 000
House bill-----	+17, 000

This Office was established pursuant to Secretary's Memorandum No. 1529, dated January 29, 1963, to consolidate the budget and management service functions for several staff offices and agencies of the Department of Agriculture.

The committee recommends an appropriation of \$2,500,000 for the operation of the Office of Management Services. This is an increase of \$17,000 over the 1965 appropriation and the House bill and is \$79,000 below the estimate.

GENERAL ADMINISTRATION

1965 appropriation-----	\$3, 553, 000
1966 budget estimate-----	3, 848, 000
House bill-----	3, 848, 000
Senate committee recommendation-----	3, 848, 000
Comparisons with:	
1965 appropriation-----	+295, 000
Estimate for 1966-----	
House bill-----	

This appropriation item is used to finance the expenses of the Office of the Secretary of Agriculture and his immediate staff, together with various staff offices, including the Office of Budget and Finance, Office of Plant and Operations, Office of Personnel, Office of Management Appraisal and Systems Development, Office of Hearing Examiners, the Judicial Officer, and the expenses of the National Advisory Commission.

The committee recommends an appropriation of \$3,848,000 for this item. This is an increase of \$295,000 over the appropriation for 1965, the amount included in the House bill and the amount requested in the budget estimate for 1966. The increase over 1965 is for the increased activities in connection with title VI of the Civil Rights Act of 1964, and for the agricultural program in Guam.

On September 7, 1964, Public Law 88-584, an act to establish Federal agricultural service to Guam for a period of not to exceed 5 years, was approved. The authorizing legislation provides not to exceed \$60,000 per annum may be appropriated to carry out the purposes of this act. The committee has included a provision in the bill under this appropriation item, making \$60,000 available for fiscal 1966 to carry out the agricultural program authorized for Guam.

The committee directs that none of the funds appropriated in the bill are to be used for the expenses of the President's Committee on Equal Employment Opportunity.

TITLE II—CREDIT AGENCIES

RURAL ELECTRIFICATION ADMINISTRATION

The Rural Electrification Administration was established by Executive Order 7035, dated May 11, 1935, to make loans for the

extension of electric service to unserved rural people. The Rural Electrification Administration was transferred to the Department of Agriculture on July 1, 1939, under Reorganization Plan No. 2. Public Law 423, approved October 28, 1949, amended the authorization act to authorize loans for furnishing and improving rural telephone service. Both the telephone and electric loans are on a self-liquidating basis for a loan period of not to exceed 35 years at 2 percent interest.

LOAN AUTHORIZATION FOR ELECTRIFICATION LOANS

1965 authorization.....	(\$365, 000, 000)
1966 budget estimate.....	(350, 000, 000)
House bill.....	(350, 000, 000)
Senate committee recommendation.....	(380, 000, 000)
Comparisons with:	
1965 appropriation.....	(+15, 000, 000)
Estimate for 1966.....	(+30, 000, 000)
House bill.....	(+30, 000, 000)

The committee recommends new loan authorization for the electrification program for fiscal 1966 in the amount of \$380 million of which \$50 million is placed in the contingency reserve. The amount recommended is \$30 million over the budget estimate transmitted to the Congress for fiscal 1966. This amount of \$380 million, together with the amount of \$37.4 million in the contingency reserve which was released late on June 30, makes a total available for electrification loans in fiscal 1966 in the amount of \$417.4 million.

The amount recommended is \$30 million over the budget estimate for 1966 and is \$15 million over the amount of authorization approved in 1965. The amount of new authorization recommended of \$380 million plus the balance carried forward from 1965 of funds released from the contingency funds on June 30, 1965, of \$37.4 million makes a total available in 1966 of \$417.4 million for the electrification program. This is practically the same amount of total loan authorization made available last year including the 1965 authorization of \$365 million plus the 1964 balance carried forward of \$23 million and rescissions of \$29.3 million from prior years making a total availability in 1965 of \$417.3 million. Loans approved in 1965 totaled \$379,973,000.

This committee, in conjunction with the House committee, in Report No. 497, 88th Congress, 1st session, imposed certain duties and responsibilities upon the REA Administrator to its borrowers and their power suppliers to be complied with before approving loans for generation and transmission facilities.

The committee directs the REA Administrator's attention to this action and the regulations promulgated thereunder and reiterates its instructions that every effort be made to obtain reasonable wholesale power supply contracts before lending public funds for generation and transmission facilities.

LOAN AUTHORIZATION FOR TELEPHONE LOANS

1965 authorization.....	(\$70, 000, 000)
1966 budget estimate.....	(97, 000, 000)
House bill.....	(97, 000, 000)
Senate committee recommendation.....	(97, 000, 000)
Comparisons with:	
1965 appropriation.....	(+27, 000, 000)
Estimate for 1966.....	
House bill.....	

The committee recommends new loan authorization for the rural telephone program in the amount of \$97 million. This is an increase of \$27 million over the authorization for 1965 to provide additional authorization for the telephone program.

The committee has provided \$97 million new loan authorization, of which \$15 million is placed in the contingency reserve. The amount of authorization recommended is the same as requested in the budget estimate, and provided in the House bill, except that the committee recommends that \$15 million be placed in the contingency reserve rather than \$7 million, as proposed by the House, and an undetermined amount as proposed in the budget request which would have established a \$65 million reserve for use of either the telephone or the electrification program.

RURAL ELECTRIFICATION ADMINISTRATION

SALARIES AND EXPENSES

1965 appropriation.....	\$11,934,000
1966 budget estimate.....	11,934,000
House bill.....	11,934,000
Senate committee recommendation.....	11,934,000
Comparisons with:	
1965 appropriation.....	
Estimate for 1966.....	
House bill.....	

The committee recommends an appropriation of \$11,934,000 for the administrative expenses of the Rural Electrification Administration. This is the amount requested in the budget estimate, and approved in the House bill, and the amount appropriated in fiscal 1965.

FARMERS' HOME ADMINISTRATION

RURAL HOUSING GRANTS AND LOANS

1965 appropriation.....	
1966 budget estimate.....	\$10,000,000
House bill.....	
Senate committee recommendation.....	10,000,000
Comparisons with:	
1965 appropriation.....	+10,000,000
Estimate for 1966.....	
House bill.....	+10,000,000

The committee has recommended an appropriation of \$10 million for grants and loans for the purposes of section 504 of the Housing Act of 1949, as amended. This is the same amount requested in the budget estimate which had been denied by the House. The major portion of the amount recommended will be used for housing grants for low-income rural families, and some of the funds used for loans for enlargement and development of homes pursuant to authority of section 503 of the Housing Act. The committee believes that the experience with funds previously used for this purpose warrants making the appropriation as requested in the budget estimate.

The bill has been amended to carry the following language under the heading "Rural Housing Grants and Loans":

For grants and loans for the purposes of section 504 of the Housing Act of 1949, as amended (42 U.S.C. 1474), \$10,000,000, to remain available until expended.

DIRECT LOAN ACCOUNT

1965 authorization.....	(\$360, 000, 000)
1966 budget estimate.....	(340, 000, 000)
House bill.....	(340, 000, 000)
Senate committee recommendation.....	(375, 000, 000)
Comparisons with:	
1965 appropriation.....	(+ 15, 000, 000)
Estimate for 1966.....	(+ 35, 000, 000)
House bill.....	(+ 35, 000, 000)

Under the direct loan account which was authorized in the consolidated Farmers Home Administration Act of 1961, an authorization of \$375 million is recommended for farm operating and for real estate loans for fiscal 1966.

This is \$15 million over the 1965 authorization and is \$35 million over the House bill and the budget estimate. The committee recommends that the loan authorization for farmownership loans be retained at \$45 million rather than to be reduced to \$10 million, as proposed in the budget. The farmownership loan program has been very carefully administered, with outstanding results, and the committee believes it would be unwise to make the reduction proposed in the budget for this type of loan. The committee has approved the increase proposed in the budget for soil and water conservation loans of from \$15 million in fiscal 1965 to \$30 million in 1966. The House bill had provided the increase of \$15 million of lending authority which was requested in the budget estimate.

For farm operating loans, the committee recommends an authorization of \$300 million, the amount provided for fiscal 1965 and the amount as requested in the budget for 1966, and approved in the House bill.

RURAL HOUSING FOR DOMESTIC FARM LABOR

1965 appropriation.....	-----
1966 budget estimate.....	\$5, 000, 000
House bill.....	2, 000, 000
Senate committee recommendation.....	5, 000, 000
Comparisons with:	
1965 appropriation.....	+ 5, 000, 000
Estimate for 1966.....	-----
House bill.....	+ 3, 000, 000

The committee recommends an appropriation of \$5 million for rural housing for domestic farm labor. This is a new program authorized by Public Law 88-560, under section 516 of the Housing Act of 1949, as amended. Under this program, low-rent housing for domestic farm laborers will be extended to State or political subdivisions or to public or private nonprofit organizations to assist them in providing housing and related facilities to be used by domestic farm laborers. It is anticipated that applicants will be able to furnish about 50 percent of the development costs of such housing.

The current farm labor shortage accentuates the need for adequate housing and the committee has recommended the amount requested for this purpose. The amount recommended is the same as the budget request and an increase of \$3 million over the amount recommended in the House bill.

RURAL RENEWAL

1965 appropriation.....	\$1, 200, 000
1966 budget estimate.....	3, 000, 000
House bill.....	1, 200, 000
Senate committee recommendation.....	1, 200, 000
Comparisons with:	
1965 appropriation.....	
Estimate for 1966.....	-1, 800, 000
House bill.....	

The rural renewal program was authorized in the Food and Agriculture Act of 1962 under section 102. Under this program technical assistance is provided to locally initiated and sponsored demonstration projects for rural renewal development projects related to conservation and land utilization.

The committee recommends an appropriation of \$1,200,000 to continue the program in the five pilot demonstration projects. The amount recommended is the same as provided in the 1965 appropriation and the House bill, and a reduction of \$1,800,000 in the budget estimate and the amount provided in the House bill.

The committee believes that the appropriation of \$1,200,000 together with carryover funds of \$500,000 will enable this program to operate satisfactorily in fiscal 1966.

RURAL HOUSING FOR THE ELDERLY REVOLVING FUND

1965 appropriation.....	\$5, 000, 000
1966 budget estimate.....	5, 000, 000
House bill.....	2, 500, 000
Senate committee recommendation.....	5, 000, 000
Comparisons with:	
1965 appropriation.....	
Estimate for 1966.....	
House bill.....	+2, 500, 000

The rural housing for the elderly revolving fund was established under the authority of the Senior Citizens Housing Act of 1962, Public Law 87-723, approved September 28, 1962. The direct loans made under this authorization provide modest-cost rental housing and related facilities for elderly persons and rural families of low and moderate income. Loans are made to private nonprofit corporations and consumer cooperatives.

The committee recommends an appropriation of \$5 million, the amount requested in the budget estimate, the amount appropriated in fiscal 1965, and an increase of \$2,500,000 over the amount recommended in the House bill. The Department advises that although there is considerable carryover of funds appropriated in prior years that applications for elderly rental housing loans have been received from 53 organizations and it is expected that the program will expand considerably before the end of fiscal 1966.

SALARIES AND EXPENSES

1965 appropriation.....	\$41, 233, 000
1966 budget estimate.....	44, 692, 000
House bill.....	42, 733, 000
Senate committee recommendation.....	44, 692, 000
Comparisons with:	
1965 appropriation.....	+3, 459, 000
Estimate for 1966.....	
House bill.....	+1, 959, 000

The committee recommends an appropriation of \$44,692,000 for salaries and expenses for the Farmers Home Administration to carry out the various authorized lending programs and to provide adequate service to loans already made.

The appropriation recommended is an increase of \$3,459,000 over 1965 and is the amount recommended in the budget for 1966 and an increase of \$1,959,000 over the amount recommended in the House bill. The increase recommended would enable the agency to alleviate manpower shortages in some of the most critical workload areas in field offices.

The responsibilities of supervision and technical assistance provided by the Farmers Home Administration, together with the new lending authorities provided in recent years, require the strengthening of existing personnel, as well as the recruitment of specialized personnel, to deal with the administrative aspects of the new lending programs.

The committee has concurred in the action of the House to provide \$500,000 of administrative expenses for temporary field employment which may be financed from the various loan program authorizations.

The committee has also stricken from the bill language which precluded the administration of a program for rural housing grants and loans. This action is consistent with the committee recommendation to provide an appropriation of \$10 million for rural housing grants and loans, as requested in the budget estimate for 1966.

TITLE III—CORPORATIONS

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

1965 appropriation.....	\$7,478,000
1966 budget estimate.....	8,478,000
House bill.....	7,478,000
Senate committee recommendation.....	8,478,000
Comparisons with:	
1965 appropriation.....	+1,000,000
Estimate for 1966.....	
House bill.....	+1,000,000

The committee recommends an appropriation of \$8,478,000 of direct appropriation for the administrative and operating expenses of the Federal Crop Insurance Corporation. This is an increase of \$1 million over 1965, the amount of the budget estimate, and an increase of \$1 million over the House bill. The House bill provided an increase of \$500,000 of the budget request of \$1 million but provided it under the operating expenses payable from premium income. The committee has stricken the increase made by the House under "Premium income" and provided \$3,638,000 from that source. This is the amount authorized in 1965 and the budget estimate for 1966.

The total amount thus made available for administrative expenses by direct appropriation and by expenses payable from premium income is \$12,116,000, an increase of \$1 million over 1965 and \$500,000 over the amount provided in the House bill.

The committee has stricken from the bill a provision requested in the budget estimate and approved by the House which would provide authority for the Federal Crop Insurance Corporation to meet indemnity payments and other charges from its corporate funds by borrow-

ing such amounts as may be necessary from the Commodity Credit Corporation. The language stricken from the bill follows:

: *Provided*, That in the event the Federal Crop Insurance Corporation Fund is insufficient to meet indemnity payments and other charges against such Fund, such additional amounts as may be necessary may be borrowed from the Commodity Credit Corporation under such terms and conditions as the Secretary may prescribe, but repayment of such amount shall include interest at a rate not less than the cost of money to the Commodity Credit Corporation for a comparable period

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

1965 appropriation.....	\$2, 674, 000, 000
1966 budget estimate.....	2, 300, 000, 000
House bill.....	2, 300, 000, 000
Senate committee recommendation.....	3, 226, 800, 000
Comparisons with:	
1965 appropriation.....	+552, 800, 000
Estimate for 1966.....	+926, 800, 000
House bill.....	+926, 800, 000

The committee recommends an appropriation of \$3,226,800,000 to fully reimburse the Commodity Credit Corporation for the net realized losses incurred in fiscal 1964 in the conduct of regular price-support, export, supply, and related farm program costs. The amount recommended covers the full realized loss for fiscal 1964 and is \$926,800,000 over the House bill and the budget estimate, and \$552,800,000 over the 1965 appropriations.

Public Law 87-155, approved August 17, 1961, authorizes the restoration of capital impairment by reimbursement appropriation. The Congress has not always appropriated the full amount requested in the budget for this item but the committee believes that the executive branch has the responsibility for requesting the Congress that the full losses be reimbursed as provided by law. Therefore, in order to clean up part of the unreimbursed loss which has accrued in recent years, the committee is recommending the necessary appropriation to reimburse for fiscal 1964. There still remain unreimbursed losses going back to fiscal 1961 in the amount of \$1,057 million plus \$80.9 million for losses incurred in fiscal 1963 for a total of \$1,137,-900,000 of unreimbursed prior year losses.

The committee expects that the action taken will encourage the Bureau of the Budget to approve requests from the Department to clean up the balances referred to at an early date, and in accordance with requirements of law.

The action of the committee does not increase in any respect the rate of expenditures of the Commodity Credit Corporation for the various authorized farm programs for fiscal 1966, but simply moves in the direction of appropriating for realized losses incurred in prior years as authorized by law and in line with the practice followed until recent years.

The committee has stricken from the House-passed bill the provision that eliminates the requirement that CCC unreimbursed losses shall

no longer bear interest charges after July 1, 1964. The committee is sympathetic with the interest provision and will concur in its approval following action to request proper and full reimbursement of all outstanding unreimbursed losses.

LIMITATION ON ADMINISTRATIVE EXPENSES

1965 appropriation.....	(\$37,351,000)
1966 budget estimate.....	(36,650,000)
House bill.....	(36,650,000)
Senate committee recommendation.....	(36,650,000)
Comparisons with:	
1965.....	(-701,000)
Estimate for 1966.....	
House bill.....	

For the limitation on administrative expenses of the Commodity Credit Corporation the committee recommends \$36,650,000, as requested in the budget estimate, and approved in the House bill. This is \$701,000 under the expense limitation for 1965 and is the result of reduced operating costs.

The committee has concurred in the proposal in the budget to discontinue direct payments from corporate funds for part of the fluid milk purchased by the Veterans' Administration and by the Defense Department. The estimated reduction in expenditures for this purpose is \$26.7 million. The Commodity Credit Corporation will continue to make available dairy products to these and other Government agencies acquired under the regular dairy price support operations.

Public Law 480

By titles	1965 appropriation	1966 estimate	1966 House bill	Senate committee
I. Sale of commodities for foreign currencies.....	\$1,862,000,000	\$1,144,000,000	\$1,144,000,000	\$1,144,000,000
II. Emergency famine relief to friendly peoples.....	220,453,000	298,500,000	298,500,000	298,500,000
IV. Long-term credit and supply contracts.....	235,000,000	215,500,000	215,500,000	215,500,000
Total.....	2,317,453,000	1,658,000,000	1,658,000,000	1,658,000,000

The committee recommends a total appropriation of \$1,658 million for the foreign assistance programs financed pursuant to authorizations under Public Law 480 as amended. The committee has denied the request in the budget to consolidate the appropriation for the various titles and has reinstated language to the bill making the appropriations by titles in accordance with the procedure in prior years. The action of the committee is in line with the action it has taken under the appropriation for unreimbursed losses of the Commodity Credit Corporation. The committee believes that every effort should be made to keep the appropriations for various titles of Public Law 480 separate and distinct in order that those interested in knowing what appropriations have been made pursuant to authorizations will be able to compute them more readily.

For title I, "Sale of Commodities for Foreign Currencies," the committee recommends an appropriation of \$1,144 million. This is a decrease of \$718 million below the appropriation for 1965 of \$1,862

million and is the amount of the budget estimate, and the amount provided in the House bill.

Under title II, commodities disposed of for emergency famine relief to friendly peoples, the committee recommends \$298,500,000. This is an increase of \$78,047,000 over the appropriation for 1965 of \$220,453,000 and is the amount requested in the estimate and provided in the House bill.

Under title IV, long-term credit and supply contracts, the committee recommends an appropriation of \$215,500,000. This is a decrease of \$19,500,000 under the appropriation for 1965 of \$235 million, the amount of the estimate and the amount carried in the House bill.

INTERNATIONAL WHEAT AGREEMENT

1965 appropriation.....	\$81, 838, 000
1966 budget estimate.....	27, 544, 000
House bill.....	27, 544, 000
Senate committee recommendation.....	27, 544, 000
Comparisons with:	
1965 appropriation.....	
Estimate for 1966.....	—54, 294, 000
House bill.....	

An appropriation of \$27,544,000 is recommended for expenses during fiscal 1966 of the International Wheat Agreement. This is a reduction of \$54,294,000 under the appropriation for 1965, due principally to the reduction in the export payment rate. The amount recommended is the same as the budget request and the amount provided in the House bill.

Bartered materials for supplemental stockpile.—The bill does not include any appropriation for bartered materials for supplemental stockpile. Subsequent to passage of the bill in the House, the Bureau of the Budget transmitted an amendment to the budget, Senate Document 38, eliminating any budget estimate for bartered materials for the supplemental stockpile. The committee has concurred in the request in the budget amendment. Earlier the House action had reduced the then budget request of \$52,500,000 to \$30 million. The appropriation for 1965 was \$92,860,000.

The Bureau of the Budget advises that the review of agreements involving the acquisition of strategic materials for stockpiling is now underway and pending completion of this review no new barter arrangements will be initiated involving strategic materials. It is expected that the funds appropriated in 1965 will be sufficient to cover the cost of commodities acquired during fiscal 1966 under completed contracts and transferred to the stockpile.

TITLE IV—RELATED AGENCIES

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

1965 limitation.....	(\$2, 931, 000)
1966 budget estimate.....	(2, 990, 000)
House bill.....	(2, 990, 000)
Senate committee recommendation.....	(2, 990, 000)
Comparisons with:	
1965 appropriation.....	(+ 59, 000)
Estimate for 1966.....	
House bill.....	

The Farm Credit Administration supervises, examines, and provides facilities and services to a coordinated system of farm credit banks and associations which make loans to farmers and farm cooperatives. All expenses of these activities are paid by assessments collected from the banks and associations of the farm credit system.

The committee recommends an administrative expense limitation of \$2,990,000 for fiscal 1966. This is the amount requested in the budget estimate and provided in the House bill. The increase of \$59,000 over 1965 is necessary to cover the cost of vacancies which will be filled for the full fiscal year of 1966. The increased demand for credit by farmers and farm cooperatives has resulted in the loans reaching a new peak. As of June 30, 1964, outstanding loans totaled \$6.9 billion, an increase of \$600 million over the previous year.

NATIONAL COMMISSION ON FOOD MARKETING

1965 appropriation.....	\$700, 000
1966 budget estimate.....	1, 500, 000
House bill.....	750, 000
Senate committee recommendation.....	1, 500, 000
Comparisons with:	
1965 appropriation.....	+800, 000
Estimate for 1966.....	
House bill.....	+750, 000

The committee recommends an appropriation of \$1,500,000 for the expenses of the National Commission on Food Marketing. This is the amount requested in the budget estimate and an increase of \$750,000 over the amount recommended by the House. The Food Commission is temporary and was created on a bipartisan basis on July 3, 1964, pursuant to Public Law 88-354, to conduct an independent and broad-scale study of the marketing structure and the related food industries.

As set forth in the authorizing legislation, the duties of the Commission are to study and appraise—

1. The actual changes, principally in the past two decades, in the various segments of the food industry;
2. The changes likely to materialize if present trends continue;
3. The kind of food industry that would assure efficiency of production, assembly, processing, and distribution; provide appropriate services to consumers; and yet maintain acceptable competitive alternatives of procurement and sales in all segments of the industry from producer to consumer;

4. The changes in statutes or public policy; the organization of farming and of food assembly, processing, and distribution; and the interrelationships between segments of the food industry which would be appropriate to achieve a desired distribution of power as well as desired levels of efficiency;

5. The effectiveness of the services, including the dissemination of market news, and regulatory activities of the Federal Government in terms of present and probable developments in the industry; and

6. The effect of imported food on U.S. producers, processors, and consumers.

While it is true, as stated in the House committee report, that the Department of Agriculture has been studying marketing and the spread of margin studies of food and other related commodities, the Commission was authorized to make an independent examination into any and all phases of existing governmental programs, as well as to examine into trends in agricultural production, food processing, marketing, and retailing, and related activities beyond the scope of existing governmental agencies.

The committee expects the work of the Commission to terminate July 1, 1966, as scheduled, and believes that it should be provided with the necessary funds to pay the cost of conducting the independent review of food marketing and related activities, as authorized by law and for which the Commission program has been developed and is well underway.

PERMANENT APPROPRIATIONS

Item	Appropriations, 1965	Budget estimates, 1966	Increase or decrease
Consumer and Marketing Service:			
Removal of surplus agricultural commodities (sec. 32)	\$378,907,331	\$390,000,000	+\$11,092,669
Perishable Agricultural Commodities Act fund	895,000	953,000	+58,000
Total, Agricultural Marketing Service	379,802,331	390,953,000	+11,150,669
Agricultural Stabilization and Conservation Service: National Wool Act	87,769,762	31,499,000	-56,270,762
Total, permanent appropriations	467,572,093	422,452,000	-45,120,093

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1965 AND ESTIMATES AND AMOUNTS RECOMMENDED IN BILL FOR 1966

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AGRICULTURAL APPROPRIATIONS, 1966

H. Doc. No.	Item	Appropriations, 1965 (adjusted) ¹	Budget estimates, 1966	Recommended in House bill for 1966	Amount recommended by Senate committee	Increase (+) or decrease (—), Senate bill compared with—		
						Appropriations, 1965 (adjusted)	Budget estimates, 1966	House bill
154	TITLE I—GENERAL ACTIVITIES							
	Agricultural Research Service:							
	Salaries and expenses:							
	Research:							
	By appropriation	\$122,599,000	\$116,892,000	\$114,394,000	\$124,369,800	+\$1,770,800	+\$7,477,800	+\$9,975,800
	By transfer from sec. 32	(11,775,000)	(24,600,000)	(24,600,000)	(16,600,000)	(+4,825,000)	(—8,000,000)	(—8,000,000)
	Total available	(134,374,000)	(141,492,000)	(138,994,000)	(140,969,800)	(+6,595,800)	(—522,200)	(+1,975,800)
	Plant and animal disease and pest control ..	² 71,169,200	73,160,000	71,119,000	75,060,090	+3,890,800	+1,900,000	+3,941,000
	Total, salaries and expenses	³ 193,768,200	³ 190,052,000	⁴ 185,513,000	⁴ 199,429,800	+5,661,600	+9,377,800	+13,916,800
	Salaries and expenses (special foreign currency program)	2,000,000	4,000,000	2,000,000	4,000,000	+2,000,000	-----	+2,000,000
	Total, Agricultural Research Service	195,768,200	194,052,000	187,513,000	203,429,800	+7,661,600	+9,377,800	+15,916,800
	Cooperative State Research Service: Payments and expenses	49,997,000	⁵ 52,367,000	⁵ 51,695,000	⁵ 55,695,000	+5,698,000	+3,328,000	+4,000,000
	Extension Service:							
	Payments to States and Puerto Rico	71,919,000	72,800,000	72,800,000	75,600,000	+3,681,000	+2,800,000	+2,800,000
	Retirement costs for extension agents	7,510,000	7,857,000	7,857,000	7,857,000	+347,000	-----	-----
	Penalty mail	3,113,000	3,113,000	3,113,000	3,113,000	-----	-----	-----
	Federal Extension Service	2,565,000	2,565,000	2,565,000	2,565,000	-----	-----	-----
	Total, Extension Service	85,107,000	86,335,000	86,335,000	89,135,000	+4,028,000	+2,800,000	+2,800,000

See footnotes at end of table, p. 50.

Comparative statement of appropriations for 1965 and estimates and amounts recommended in bill for 1966—Continued

H. Doc. No.	Item	Appropriations, 1965 (adjusted) ¹	Budget estimates, 1966	Recommended in House bill for 1966	Amount recommended by Senate committee	Increase (+) or decrease (—), Senate bill compared with—		
						Appropriations, 1965 (adjusted)	Budget estimates, 1966	House bill
	TITLE I—GENERAL ACTIVITIES—Con.							
	Farmer Cooperative Service.....	\$1,141,000	\$1,241,000	\$1,141,000	\$1,241,000	+\$100,000	-----	+\$100,000
	Soil Conservation Service:							
	Conservation operations.....	104,233,000	104,103,000	105,373,000	106,373,000	+2,140,000	+\$2,270,000	+1,000,000
	Watershed planning.....	5,721,000	5,721,000	5,721,000	5,721,000	-----	-----	-----
	Watershed protection.....	61,020,000	67,171,000	64,171,000	65,671,000	+4,651,000	—1,500,000	+1,500,000
	Flood prevention.....	26,317,000	25,417,000	25,417,000	25,417,000	—900,000	-----	-----
	Great Plains conservation program.....	14,864,000	14,864,000	14,864,000	17,432,000	+2,568,000	+2,568,000	+2,568,000
	Resource conservation and development.....	1,813,000	4,303,000	2,813,000	4,303,000	+2,490,000	-----	+1,490,000
	Total, Soil Conservation Service.....	213,968,000	221,579,000	218,359,000	224,917,000	+10,949,000	+3,338,000	+6,558,000
	Economic Research Service: Salaries and expenses.....	10,922,000	11,366,000	11,072,000	11,591,000	+669,000	+225,000	+519,000
154	Statistical Reporting Service: Salaries and expenses.....	11,866,000	13,595,000	13,595,000	13,875,000	+2,009,000	+280,000	+280,000
	Consumer and Marketing Service:							
154	Consumer protective, marketing, and regulatory programs.....	73,752,000	76,437,000	75,852,000	76,412,000	+2,660,000	—25,000	+560,000
	Payments to States and possessions.....	1,500,000	1,500,000	1,500,000	2,000,000	+500,000	+500,000	+500,000
	Special milk program.....	⁶ 51,500,000	100,000,000	100,000,000	108,000,000	+56,500,000	+8,000,000	+8,000,000
	School lunch program.....	⁷ 146,400,000	⁷ 157,000,000	⁷ 155,000,000	⁷ 155,000,000	+8,600,000	—2,000,000	-----
	Food stamp program.....	⁸ 25,000,000	100,000,000	100,000,000	⁹ 80,000,000	+55,000,000	—20,000,000	—20,000,000
	Total, Consumer and Marketing Service.....	298,152,000	434,937,000	432,352,000	421,412,000	+123,260,000	—13,525,000	—10,940,000

See footnotes at end of table, p. 50.

Comparative statement of appropriations for 1965 and estimates and amounts recommended in bill for 1966—Continued

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AGRICULTURAL APPROPRIATIONS, 1966

H. Doc. No.	Item	Appropriations, 1965 (adjusted) ¹	Budget estimates, 1966	Recommended in House bill for 1966	Amount recommended by Senate committee	Increase (+) or decrease (-), Senate bill compared with—		
						Appropriations, 1965 (adjusted)	Budget estimates, 1966	House bill
S. 38	TITLE I—GENERAL ACTIVITIES—Con.							
	Foreign Agricultural Service: Salaries and expenses...	¹⁰ \$20,779,000	¹⁰ \$20,574,000	¹⁰ \$20,574,000	¹⁰ \$20,574,000	—\$205,000		
	Commodity Exchange Authority.....	1,169,000	1,169,000	1,169,000	1,169,000			
	Agricultural Stabilization and Conservation Service:							
	Expenses, Agricultural Stabilization and Conservation Service.....	¹¹ 108,552,000	138,350,000	¹¹ 111,714,000	¹² 135,350,000	+26,798,000	—\$3,000,000	+\$23,636,000
	Sugar Act Program.....	¹³ 96,000,000	95,000,000	95,000,000	95,000,000	—1,000,000		
	Agricultural conservation program.....	225,000,000	220,000,000	220,000,000	220,000,000	—5,000,000		
	Cropland conversion program.....	15,000,000	10,000,000	7,500,000	10,000,000	—5,000,000		+2,500,000
	Conservation reserve program.....	194,000,000	150,000,000	140,000,000	146,000,000	—48,000,000	—4,000,000	+6,000,000
	Emergency conservation measures.....	¹⁴ 14,000,000	¹⁵ 24,000,000	4,000,000	30,000,000	+16,000,000	+6,000,000	+26,000,000
	Total, Agricultural Stabilization and Conservation Service.....	652,552,000	637,350,000	578,214,000	636,350,000	—16,202,000	—1,000,000	+58,136,000
	Rural Community Development Service.....	132,000	750,000	500,000	750,000	+618,000		+250,000
	Office of Inspector General.....	10,116,000	10,961,000	10,416,000	10,491,000	+375,000	—470,000	+75,000
	Office of General Counsel.....	4,039,000	4,229,000	4,139,000	4,229,000	+190,000		+90,000
	Office of Information.....	1,689,000	1,689,000	1,689,000	1,689,000			
	National Agricultural Library:							
	Salaries and expenses.....	1,599,000	1,865,000	1,599,000	1,865,000	+266,000		+266,000
	Library facilities.....		7,000,000	7,000,000	7,000,000	+7,000,000		
	Office of Management Services.....	2,483,000	2,579,000	2,483,000	2,500,000	+17,000	—79,000	+17,000
	General administration.....	3,553,000	3,848,000	3,848,000	3,848,000	+295,000		
	Total, title I, general activities.....	1,565,032,200	1,707,486,000	1,633,693,000	1,711,760,800	+146,728,600	+4,274,800	+78,067,800

See footnotes at end of table, p. 50.

Comparative statement of appropriations for 1965 and estimates and amounts recommended in bill for 1966—Continued

H. Doc. No.	Item	Appropriations, 1965 (adjusted) ¹	Budget esti- mates, 1966	Recommended in House bill for 1966	Amount recom- mended by Senate com- mittee	Increase (+) or decrease (-), Senate bill compared with—		
						Appropriations, 1965 (adjusted)	Budget esti- mates, 1966	House bill
	TITLE II—CREDIT AGENCIES							
	Rural Electrification Administration:							
	Loan authorizations:							
	Electrification.....	¹⁸ \$ (365,000,000)	¹⁷ \$ (350,000,000)	¹⁷ \$ (350,000,000)	¹⁸ \$ (380,000,000)	\$ (+15,000,000)	\$ (+30,000,000)	\$ (+30,000,000)
	Telephone.....	¹⁹ (70,000,000)	(97,000,000)	¹⁹ (97,000,000)	²⁰ (97,000,000)	(+27,000,000)	(-----)	(-----)
	Total, loan authorizations.....	(435,000,000)	(447,000,000)	(447,000,000)	(477,000,000)	(+42,000,000)	(+30,000,000)	(+30,000,000)
	Salaries and expenses.....	11,934,000	11,934,000	11,934,000	11,934,000	-----	-----	-----
	Total, Rural Electrification Administration.....	11,934,000	11,934,000	11,934,000	11,934,000	-----	-----	-----
	Farmers Home Administration:							
	Rural housing grants and loans.....		10,000,000		10,000,000	+10,000,000	-----	+10,000,000
	Direct loan account:							
	Real estate loans.....	(60,000,000)	(40,000,000)	(40,000,000)	(75,000,000)	(+15,000,000)	(+35,000,000)	(+35,000,000)
	Operating loans.....	²¹ (300,000,000)	²¹ (300,000,000)	²¹ (300,000,000)	²¹ (300,000,000)	(-----)	(-----)	(-----)
	Total, direct loan account.....	(360,000,000)	(340,000,000)	(340,000,000)	(375,000,000)	(+15,000,000)	(+35,000,000)	(+35,000,000)
	Rural housing for domestic farm labor.....		5,000,000	2,000,000	5,000,000	+5,000,000	-----	+3,000,000
	Rural renewal.....	1,200,000	3,000,000	1,200,000	1,200,000	-----	-1,800,000	-----
	Rural housing for the elderly revolving fund.....	5,000,000	5,000,000	2,500,000	5,000,000	-----	-----	+2,500,000
	Salaries and expenses.....	41,233,000	44,692,000	42,733,000	44,692,000	+3,459,000	-----	+1,959,000
	Total, Farmers Home Administration.....	47,433,000	67,692,000	48,433,000	65,892,000	+18,459,000	-1,800,000	+17,459,000
	Total title II, credit agencies:							
	Loan authorizations.....	(795,000,000)	(787,000,000)	(787,000,000)	(852,000,000)	(+57,000,000)	(+65,000,000)	(+65,000,000)
	Direct appropriation.....	59,367,000	79,626,000	60,367,000	77,826,000	+18,459,000	-1,800,000	+17,459,000

AGRICULTURAL APPROPRIATIONS, 1966

See footnotes at end of table, p. 50.

Comparative statement of appropriations for 1965 and estimates and amounts recommended in bill for 1966—Continued

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AGRICULTURAL APPROPRIATIONS, 1966

H. Doc. No.	Item	Appropriations, 1965 (adjusted) ¹	Budget estimates, 1966	Recommended in House bill for 1966	Amount recommended by Senate committee	Increase (+) or decrease (-), Senate bill compared with—		
						Appropriations, 1965 (adjusted)	Budget estimates, 1966	House bill
	TITLE III—CORPORATIONS							
	Federal Crop Insurance Corporation:							
	Administrative and operating expenses:							
	Appropriation.....	\$7, 478, 000	\$8, 478, 000	\$7, 478, 000	\$8, 478, 000	+\$1, 000, 000	-----	+\$1, 000, 000
	Premium income.....	(3, 638, 000)	(3, 638, 000)	(4, 138, 000)	(3, 638, 000)	-----	-----	(-500, 000)
	Commodity Credit Corporation:							
	Reimbursement for net realized losses.....	2, 674, 000, 000	2, 300, 000, 000	2, 300, 000, 000	3, 226, 800, 000	+552, 800, 000	+\$926, 800, 000	+926, 800, 000
	Limitation on administrative expenses.....	(37, 351, 000)	(36, 650, 000)	(36, 650, 000)	(36, 650, 000)	(-701, 000)	(-----)	(-----)
	Public Law 480:							
	Sales for foreign currencies.....	1, 862, 000, 000	1, 658, 000, 000	1, 658, 000, 000	1, 144, 000, 000	-718, 000, 000	-----	-----
	Emergency famine relief.....	220, 453, 000			298, 500, 000	+78, 047, 000	-----	-----
	Long-term supply contracts.....	235, 000, 000			215, 500, 000	-19, 500, 000	-----	-----
	Total, Public Law 480.....	2, 317, 453, 000	1, 658, 000, 000	1, 658, 000, 000	1, 658, 000, 000	-659, 453, 000	-----	-----
	International Wheat Agreement.....	81, 838, 000	27, 544, 000	27, 544, 000	27, 544, 000	-54, 294, 000	-----	-----
F. 38	Bartered materials for supplemental stockpile.....	92, 860, 000	(²²)	30, 000, 000	-----	-92, 860, 000	-----	-30, 000, 000
	Total, title III, corporations.....	5, 173, 629, 000	3, 994, 022, 000	4, 023, 022, 000	4, 920, 822, 000	-252, 807, 000	+\$926, 800, 000	+\$897, 800, 000
	TITLE IV—RELATED AGENCIES							
	Farm Credit Administration: Limitation on administrative expenses.....	(2, 931, 000)	(2, 990, 000)	(2, 990, 000)	(2, 990, 000)	(+59, 000)	(-----)	(-----)
	National Commission on Food Marketing.....	700, 000	1, 500, 000	750, 000	1, 500, 000	+800, 000	-----	+750, 000
	Total, title IV, related agencies.....	700, 000	1, 500, 000	750, 000	1, 500, 000	+800, 000	-----	+750, 000

See footnotes at end of table, p. 50.

Comparative statement of appropriations for 1965 and estimates and amounts recommended in bill for 1966—Continued

H. Doc. No.	Item	Appropriations, 1965 (adjusted) ¹	Budget estimates, 1966	Recommended in House bill for 1966	Amount recommended by Senate committee	Increase (+) or decrease (—), Senate bill compared with—		
						Appropriations, 1965 (adjusted)	Budget estimates, 1966	House bill
	APPALACHIAN REGIONAL DEVELOPMENT							
	Agricultural Research Service: Salaries and expenses, Research.....	\$100,000				—\$100,000		
	Cooperative State Research Service: Payments and expenses.....	300,000				—300,000		
	Extension Service:							
	Payments to States and Puerto Rico.....	717,500				—717,500		
	Retirement costs for extension agents.....	32,500				—32,500		
	Total, Extension Service.....	750,000				—750,000		
	Soil Conservation Service:							
	Conservation operations.....	1,575,000				—1,575,000		
	Watershed planning.....	600,000				—600,000		
	Watershed protection.....	10,220,000				—10,220,000		
	Total, Soil Conservation Service.....	12,395,000				—12,395,000		
	Economic Research Service: Salaries and expenses.....	300,000				—300,000		
	Agricultural Stabilization and Conservation Service:							
	Appalachian region conservation program.....	7,000,000				—7,000,000		
	Farmers Home Administration:							
	Salaries and expenses.....	325,000				—325,000		
	Direct loan account.....	7,100,000				—7,100,000		

See footnotes at end of table, p. 50.

Comparative statement of appropriations for 1965 and estimates and amounts recommended in bill for 1966—Continued

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H. Doc. No.	Item	Appropriations, 1965 (adjusted) ¹	Budget estimates, 1966	Recommended in House bill for 1966	Amount recommended by Senate committee	Increase (+) or decrease (-), Senate bill compared with—		
						Appropriations, 1965 (adjusted)	Budget estimates, 1966	House bill
	APPALACHIAN REGIONAL DEVELOPMENT—Continued							
	Rural Community Development Service: Salaries and expenses.....	\$50,000				-\$50,000		
	Total, Appalachian regional development.....	28,320,000				-28,320,000		
	Total appropriations:							
	Title I—General activities.....	1,565,032,200	\$1,707,486,000	\$1,633,693,000	\$1,711,760,800	+146,728,600	+\$4,274,800	+\$78,067,800
	Title II—Credit agencies.....	59,367,000	79,626,000	60,367,000	77,826,000	+18,459,000	-1,800,000	+17,459,000
	Title III—Corporations.....	5,173,629,000	3,994,022,000	4,023,022,000	4,920,822,000	-252,807,000	+926,800,000	+7,800,000
	Title IV—Related agencies.....	700,000	1,500,000	750,000	1,500,000	+800,000		+750,000
	Appalachian Regional Development.....	28,320,000				-28,320,000		
	Grand total.....	6,827,048,200	5,782,634,000	5,717,832,000	6,711,908,800	-115,139,400	+929,274,800	+994,076,800

¹ Includes funds for pay act costs appropriated in Second Supplemental Appropriation Act, 1965.

² Includes \$650,000 for screw-worm eradication appropriated in Second Supplemental Appropriation Act, 1965.

³ In addition, reappropriation of \$1,000,000 proposed for special fund.

⁴ In addition, reappropriation of \$2,000,000 proposed for special fund.

⁵ In addition, transfer of \$400,000 from section 32 proposed.

⁶ Plus \$51,500,000 by transfer from sec. 32 funds.

⁷ In addition, \$45,000,000 transfer from sec. 32 funds authorized.

⁸ Plus \$35,000,000 by transfer from sec. 32 funds.

⁹ In addition, \$20,000,000 to be reappropriated and merged with this account.

¹⁰ In addition, \$3,117,000 transfer from sec. 32 funds authorized.

¹¹ In addition, transfers from Commodity Credit Corporation provided as follows:
Fiscal year 1965, \$97,508,000; fiscal year 1966, \$96,615,000.

¹² In addition, \$75,390,000 to be transferred from Commodity Credit Corporation.

¹³ Includes \$6,000,000 appropriated in Second Supplemental Appropriation Act, 1965.

¹⁴ Includes \$10,000,000 appropriated in Second Supplemental Appropriation Act, 1965.

¹⁵ Includes increase of \$20,000,000 proposed by budget amendment transmitted by S. Doc. 38.

¹⁶ Includes \$90,000,000 reserve authorization.

¹⁷ Includes \$65,000,000 reserve authorization.

¹⁸ Includes \$50,000,000 reserve authorization.

¹⁹ Includes \$7,000,000 reserve authorization.

²⁰ Includes \$15,000,000 reserve authorization.

²¹ Includes \$50,000,000 reserve authorization.

²² Amount of \$52,500,000 deleted in budget amendment transmitted by S. Doc. 38.

AGRICULTURAL APPROPRIATIONS, 1966



